BEFORE THE
FLORIDA
PUBLIC SERVICE COMMISSION

Resolution of Petition(s) to establish nondiscriminatory rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.162, Florida Statutes	)	**Docket No. 950985-TP**
	)	**Date: January 23, 1996**

DIRECT TESTIMONY OF TIMOTHY T. DEVINE

ON BEHALF OF

METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.

Docket No. 950985-TP

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Timothy T. Devine. My business address is MFS Communications Company, Inc. ("MFS"), Six Concourse Parkway, Suite 2100, Atlanta, Georgia 30328.

Q. WHAT IS YOUR POSITION WITH MFS?

A. I am the Senior Director of External and Regulatory Affairs for the Southern Region for MFS Communications Company, Inc., the indirect parent company of Metropolitan Fiber Systems of Florida.

I will collectively refer to MFSCC and its subsidiaries as "MFS."

Q. WHAT ARE YOUR RESPONSIBILITIES IN THAT POSITION?

A. I am responsible for the regulatory oversight of commission dockets and other regulatory matters and serve as MFS's representative to various members of the industry. I am also responsible for coordinating co-carrier discussions with Local Exchange Carriers within the Southern Region.

Q. PLEASE DESCRIBE YOUR PREVIOUS PROFESSIONAL EXPERIENCE AND EDUCATIONAL BACKGROUND.

A. I have a B.S. in Political Science from Arizona State University and an M.A. in Telecommunications Policy from George Washington University. I began work in the telecommunications industry in April 1982 as a sales

representative for packet switching services for Graphnet, Inc., one of the first value-added common carriers in the United States. From 1983 until 1987, I was employed at Sprint Communications Co., in sales, as a tariff analyst, as a product manager, and as Manager of Product and Market Analysis. During 1988, I worked at Contel Corporation, a local exchange carrier, in its telephone operations group, as the Manager of Network Marketing. I have been working for MFS and its affiliates since January 1989. During this time period, I have worked in product marketing and development, corporate planning, regulatory support, and regulatory affairs. Most recently, from August 1994 until August 1995, I have been representing MFS on regulatory matters before the New York, Massachusetts, and Connecticut state commissions and was responsible for the MFS Interim Co-Carrier Agreements with NYNEX in New York and Massachusetts, as well as the execution of a co-carrier Joint Stipulation in Connecticut.

Q. PLEASE DESCRIBE THE OPERATIONS OF MFS COMMUNICATIONS COMPANY, INC. AND ITS SUBSIDIARIES.

A. MFS Communications Company, Inc. ("MFSCC") is a diversified telecommunications holding company with operations throughout the country, as well as in Europe. MFS Telecom, Inc., an MFSCC subsidiary, through its operating affiliates, is the largest competitive access provider in the United States. MFS Telecom, Inc.'s subsidiaries, including MFS/McCourt, Inc., provide non-switched, dedicated private line and special access services.

MFS Intelenet, Inc. ("MFSI") is another wholly owned subsidiary of MFSCC. It causes operating subsidiaries to be incorporated on a state-by-state basis. MFSI's operating subsidiaries collectively are authorized to provide switched interexchange telecommunications services in 48 states and have applications to offer such service pending in the remaining states. Where so authorized, MFSI's operating subsidiaries offer end users a single source for local and long distance telecommunications services with quality and pricing levels comparable to those achieved by larger communications users. Apart from Florida, MFSI subsidiaries have been authorized to provide competitive local exchange service in twelve states. Since July 1993, MFS Intelenet of New York, Inc. has offered local exchange services in competition

with New York Telephone Company. MFS Intelenet of Maryland, Inc. was authorized to provide local exchange services in competition with Bell Atlantic-Maryland, Inc. in April 1994 and recently has commenced operations. On June 22, 1994, MFS Intelenet of Washington, Inc. was authorized to provide local exchange services in competition with US West Communications, Inc. On July 20, 1994, MFS Intelenet of Illinois, Inc. was certificated to provide local exchange services in competition with Illinois Bell Telephone Company and Central Telephone Company of Illinois. MFS Intelenet of Ohio was certificated to provide competitive local exchange service in competition with Ohio Bell on August 3, 1995. MFS Intelenet of Michigan, on May 9, 1995, was certificated to provide competitive local exchange service in competition with Ameritech-Michigan. MFS Intelenet of Connecticut was certificated to provide local exchange service in competition with Southern New England Telephone Company on June 28, 1995. MFS Intelenet of Georgia was authorized to provide competitive local exchange service on October 27, 1995. MFS Intelenet of Pennsylvania was authorized to provide competitive local exchange services on October 5, 1995. MFS Intelenet of Texas was authorized to provide competitive local exchange service on October 25, 1995. MFS Intelenet of California, Inc. was certificated

to provide competitive local exchange services in California by Order of the California Public Utilities Commission on December 20, 1995. MFS Intelenet of Massachusetts was certificated on March 9, 1994 to operate as a reseller of both interexchange and local exchange services in the Boston Metropolitan Area in competition with New England Telephone and is authorized to provide competitive local exchange services in Massachusetts. Finally, on January 12, 1996, MFS Intelenet of Oregon was authorized to provide local exchange services in Oregon in competition with US West and GTE.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?

A. Yes. The principal proceedings in which I have submitted testimony are as follows: on August 14, 1995 and September 8, 1995, respectively, I filed direct and rebuttal testimony in the universal service docket. *In re: Determination of funding for universal service and carrier of last resort responsibilities*, Docket No. 950696-TP. On September 1, 1995 and September 29, 1995, respectively, I filed direct and rebuttal testimony in the temporary number portability docket. *In re: Investigation into temporary local telephone portability solution to implement competition in local exchange telephone markets*, Docket No. 950737-TP. On September 15, 1995

and September 29, 1995, respectively, I filed direct and rebuttal testimony in the TCG Interconnection Petition docket. *Resolution of Petition(s) to establish nondiscriminatory rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.162, Florida Statutes*, Docket No. 950985-TP. On November 13, 1995 and December 11, 1995, respectively, I filed direct and rebuttal testimony in the Continental and MFS Interconnection Petition docket. *Resolution of Petition(s) to establish nondiscriminatory rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.162, Florida Statutes,* Docket No. 950985A-TP. On November 13, 1995 and December 11, 1995, respectively, I filed direct and rebuttal testimony in the unbundling docket. *Resolution of Petition(s) to Establish Unbundled Services, Network Features, Functions or Capabilities, and Local Loops Pursuant to Section 364.161, Florida Statutes*, Docket No. 950984-TP. On November 27, 1995 and December 12, 1995, respectively, I filed direct and rebuttal testimony in the MCI Unbundling Petition docket. *Resolution of Petition(s) to Establish Unbundled Services, Network Features, Functions or*

Capabilities, and Local Loops Pursuant to Section 364.161, Florida Statutes, Docket No. 950984B-TP.

Q. ARE ANY OF THE PARTIES UPON WHOSE BEHALF YOU ARE TESTIFYING CURRENTLY CERTIFICATED TO PROVIDE SERVICE IN FLORIDA?

A. Yes. Metropolitan Fiber Systems of Florida, Inc., a certificated Alternative Access Vendor ("AAV"), by letter dated July 5, 1995, notified the Commission of its intent to provide switched local exchange service in Florida. The Commission acknowledged this notification on September 12, 1995, and later granted authority to MFS of Florida, Inc. to provide such services effective January 1, 1996.

I. PURPOSE AND SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

MFS-FL has filed its interconnection petition in this docket, as well as a parallel petition in the unbundling docket, because its attempts at negotiations with GTE Florida Inc. ("GTE") have failed to yield acceptable co-carrier arrangements, including an agreement on the pricing of interconnection. MFS-FL therefore is petitioning the Commission, in accordance with Florida

Statute Section 364.162, to establish nondiscriminatory rates, terms, and conditions for interconnection. This testimony supplements the information contained in the Petition with respect to the co-carrier arrangements required by MFS-FL to provide economically viable competitive local exchange service in Florida. Principally, MFS-FL and GTE were unable to come to an agreement.

Q. AS A THRESHOLD MATTER, WHAT IS "INTERCONNECTION"?

A. The term "interconnection" is very broad and, for purposes of this proceeding, it will be helpful to distinguish among several types of interconnection. As a general matter, "interconnection" encompasses any arrangement involving a connection among different carriers' facilities, regardless of the form or purpose. For example, if one carrier resells a second carrier's transmission or switching services instead of constructing its own facilities to provide this service to the end user, the two carriers are "interconnected." Except where the second carrier controls a bottleneck facility, however, this form of interconnection of facilities is an optional and voluntary business arrangement, since the first carrier could perform the same function by adding facilities to its own network.

When two or more carriers are providing local exchange service, however, a different type of interconnection becomes essential. In that case, competing networks must be able to exchange traffic (including the exchange of signalling and billing information, and access to other service platforms that support local exchange service), because of the overriding public interest in preserving universal connectivity. In short, every telephone user in Florida must be able to call (and receive calls from) every other user, regardless of which carrier provides each user with local exchange service.

Q. WHY IS INTERCONNECTION AN IMPORTANT ISSUE?

A. It is important because today many Florida businesses and residences have a telephone that is connected to GTE's network. If MFS-FL customers cannot place calls to, and receive calls from, customers of GTE, then MFS-FL will be unable, as a practical matter, to engage in business in Florida, even if it is authorized to do so as a matter of law. No one will buy a telephone service that does not permit calling to all other numbers. Moreover, even if MFS-FL customers can place calls to GTE customers located in the same community, but only at excessive cost or with inconvenient dialing patterns, poor transmission quality, or lengthy call set-up delays, then MFS-FL will not be able to offer a service that customers would be interested in using. Equitable

co-carrier arrangements are necessary before new entrants can compete in the provision of local exchange service.

Q. WHAT IS MEANT BY THE TERM "CO-CARRIER ARRANGEMENTS"?

A. By "co-carrier" arrangements, I refer to a variety of arrangements that will have to be established to allow ALECs and GTE to deal with each other on a reciprocal, non-discriminatory, and equitable basis. Once the basic principles for such arrangements are established by the Commission, the affected carriers should be directed to implement specific arrangements in conformance with the principles. The term "co-carrier" signifies both that the two carriers are providing local exchange service within the same territory, and that the relationship between them is intended to be equal and reciprocal—that is, neither carrier would be treated as subordinate or inferior.

Q. SPECIFICALLY WHAT CO-CARRIER ARRANGEMENTS ARE REQUIRED FOR MFS-FL TO PROVIDE VIABLE COMPETITIVE LOCAL EXCHANGE SERVICE?

A. MFS-FL believes that certain co-carrier requirements should apply equally and reciprocally to all local exchange carriers, LECs and ALECs alike. The Florida statutes have recognized the necessity for such arrangements by

requiring LECs to negotiate both interconnection and unbundling arrangements. Fla. Stat. §§ 364.161, 364.162. The following are the co-carrier arrangements required by MFS-FL: 1) Number Resources; 2) Tandem Subtending/Meet-point Billing; 3) Reciprocal Traffic Exchange and Reciprocal Compensation; 4) Shared Platform Arrangements; 5) Unbundling the Local Loop; and 6) Interim Number Portability. All of these issues will be addressed herein, with the exception of unbundling which will be addressed in a separate parallel petition and testimony.

Q. WAS THERE AGREEMENT ON ANY OF THESE CO-CARRIER ISSUES WITH GTE?

A. The correspondence between MFS-FL and GTE has failed to produce a satisfactory agreement. Specifically, on July 19, 1995, MFS-FL attempted to begin negotiations with GTE for interconnection arrangements via a three-page letter outlining the MFS-FL proposed interconnection arrangements. Nearly four months later on November 9, 1995, MFS-FL sent GTE a letter and a detailed 31-page proposed co-carrier agreement in an attempt to simplify the negotiations process for GTE. On December 7, 1995 MFS-FL received from GTE a three-page facsimile of a listing of GTE's switched access rates. On January 3, 1996, following receipt of the facsimile, MFS-

FL mailed another letter to GTE in one last attempt at beginning private negotiations. On January 19, 1996, GTE sent MFS-FL a counterproposal, the terms of which were unacceptable to MFS-FL. MFS-FL indicated the unacceptability of the GTE counterproposal in a letter to GTE dated January 22, 1996, but indicated its desire to continue discussions to reach an agreement on all or as many issues as possible before Commission hearings commence.

II. TANDEM SUBTENDING AND MEET-POINT BILLING

Q. WHAT IS MEANT BY TANDEM SUBTENDING?

A. MFS-FL proposes that if GTE operates an access tandem serving a LATA in which MFS-FL operates, it should be required, upon request, to provide tandem switching service to any other carrier's tandem or end office switch serving customers within that LATA, thereby allowing MFS-FL's switch to "subtend" the tandem. This arrangement is necessary to permit IXCs to originate and terminate interLATA calls on an ALEC's network without undue expense or inefficiency. Similar arrangements already exist today among LECs serving adjoining territories -- there are many instances in which an end office switch operated by one LEC subtends an access tandem operated by a different LEC in the same LATA.

Q. HOW SHOULD INTERCARRIER BILLING BE HANDLED WHEN TANDEM SUBTENDING ARRANGEMENTS ARE USED?

A. Where tandem subtending arrangements exist, LECs divide the local transport revenues under a standard "meet-point billing" formula established by the OBF and set forth in FCC and state tariffs. The same meet-point billing procedures should apply where the tandem or end office subtending the tandem is operated by an ALEC as in the case of an adjoining LEC.

MFS-FL and GTE should establish meet-point billing arrangements to enable the new entrants to provide switched access services[1/] to third parties via a GTE access tandem switch, in accordance with the Meet-Point Billing and Provisioning guidelines adopted by the OBF.

Except in instances of capacity limitations, GTE should enable MFS to subtend the GTE access tandem switch(es) nearest to the MFS Rating Point associated with the NPA-NXX(s) to or from which the switched access services are homed. In instances of capacity limitation at a given access

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1/ *E.g.*, Feature Group B, Feature Group D, 800 access, and 900 access.

tandem switch, MFS-FL shall be allowed to subtend the next-nearest GTE access tandem switch in which sufficient capacity is available.

As I will discuss later in my Testimony, interconnection for the meet-point arrangement will occur at the Designated Network Interconnection Point ("D-NIP") at which point MFS-FL and GTE will interconnect their respective networks for inter-operability within that LATA. Common channel signalling ("CCS") will be utilized in conjunction with meet-point billing arrangements to the extent such signaling is resident in the GTE access tandem switch. ALECs and GTE should, individually and collectively, maintain provisions in their respective federal and state access tariffs sufficient to reflect this meet-point billing arrangement.

Q. WHAT PROVISIONS SHOULD APPLY FOR THE EXCHANGE OF BILLING INFORMATION?

A. MFS-FL and GTE will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for switched access services traffic jointly handled by MFS-FL and GTE via the meet-point arrangement. Information will be exchanged in Electronic Message Record ("EMR") format, on magnetic tape or via a mutually acceptable electronic file transfer protocol. Furthermore, MFS and GTE should employ the calendar

month billing period for meet-point billing, and should provide each other, at no charge, the appropriate usage data.

Q. HOW SHOULD BILLING TO THIRD PARTIES BE ACCOMPLISHED?

A. Initially, billing to third parties for the switched access services jointly provided by MFS-FL and GTE via the meet-point billing arrangement should be according to the single-bill/multiple tariff method. Subsequently, billing to third parties for the switched access services jointly provided by MFS-FL and GTE via the meet-point arrangement shall be, at MFS-FL's preference, according to the single-bill/single tariff method, single-bill/multiple-tariff method, multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method. Should MFS-FL prefer to change among these billing methods, MFS-FL would be required to notify GTE of such change in writing, 90 days in advance of the date on which such change was to be implemented.

Q. HOW WOULD SWITCHED ACCESS CHARGES TO THIRD PARTIES BE CALCULATED?

A. Switched access charges to third parties would be calculated utilizing the rates specified in MFS-FL's and GTE's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing factors specified

for each meet-point arrangement either in those tariffs or in the NECA No. 4 tariff. MFS-FL shall be entitled to the balance of the switched access charge revenues associated with the jointly handled switched access traffic, less the amount of transport element charge revenues to which GTE is entitled pursuant to the above-referenced tariff provisions. Significantly, this does not include the interconnection charge, which is to be remitted to the end office provider, which in this case would be MFS-FL.

Where MFS-FL specifies one of the single-bill methods, GTE shall bill and collect from third parties, promptly remitting to MFS-FL the total collected switched access charge revenues associated with the jointly-handled switched access traffic, less only the amount of transport element charge revenues to which GTE is otherwise entitled.

Meet-point billing will apply for all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an IXC. In those situations where the responsible party for such traffic is a LEC, full switched access rates will apply.

III. RECIPROCAL TRAFFIC EXCHANGE AND RECIPROCAL COMPENSATION

A. Traffic Exchange Arrangements

Q. WHAT TRAFFIC EXCHANGE ARRANGEMENTS MUST BE ESTABLISHED FOR THE EXCHANGE OF LOCAL TRAFFIC?

A. To effectuate the exchange of traffic, MFS-FL proposes that interconnection be accomplished through meet-points, with each carrier responsible for providing trunking to the meet-point for the hand off of combined local and toll traffic and each carrier responsible for completing calls to all end users on their networks at the appropriate interconnection rate. In order to establish meet-points, carriers would pass both local and toll traffic over a single trunk group, utilizing a percent local utilization ("PLU") factor (similar to the currently utilized percent interexchange utilization ("PIU") factor) to provide the proper jurisdictional call types, and subject to audit.

MFS-FL proposes that, within each LATA served, MFS-FL and GTE would identify a wire center to serve as the Designated Network Interconnection Point ("D-NIP") at which point MFS-FL and GTE would interconnect their respective networks for inter-operability within that LATA. Where MFS-FL and GTE interconnect at a D-NIP, MFS-FL would have the

right to specify any of the following interconnection methods: a) a mid-fiber meet at the D-NIP or other appropriate point near to the D-NIP; b) a digital cross-connection hand-off, DSX panel to DSX panel, where both MFS-FL and GTE maintain such facilities at the D-NIP; or c) a collocation facility maintained by MFS-FL, GTE, or by a third party. In extending network interconnection facilities to the D-NIP, MFS-FL would have the right to extend its own facilities or to lease dark fiber facilities or digital transport facilities from GTE or a third party. Such leased facilities would extend from any point designated by MFS-FL on its own network (including a co-location facility maintained by MFS at a GTE wire center) to the D-NIP or associated manhole or other appropriate junction point. MFS-FL would also have the right to lease such facilities from GTE under the most favorable tariff or contract terms GTE offers.

Where an interconnection occurs via a collocation facility, no incremental cross-connection charges would apply for the circuits. Upon reasonable notice, MFS-FL would be permitted to change from one interconnection method to another with no penalty, conversion, or rollover charges.

Although one meet-point is the minimum necessary for connectivity, more than one meet-point could be established if mutually acceptable, but should not be mandated. Moreover, if an additional mutually acceptable meet-point is established, the cost of terminating a call to that meet-point should be identical to the cost of terminating a call to the D-NIP. Any two carriers could establish specialized meet-points to guarantee redundancy. To ensure network integrity and reliability to all public switched network customers, it is desirable to have at least two meet-points. In this way, if one set of trunks is put out of service for any reason, such as a failure of electronic components or an accidental line cut, traffic could continue to pass over the other set of trunks and the impact upon users would be minimized. Each carrier should be responsible for establishing the necessary trunk groups from its switch or switches to the D-NIP(s).

At a minimum, each carrier should be required to establish facilities between its switch(es) and the D-NIP in each LATA in sufficient quantity and capacity to deliver traffic to and receive traffic from other carriers.

Q. HOW DOES MFS-FL'S D-NIP PROPOSAL MAXIMIZE THE EFFICIENCY OF THE NETWORK?

A. MFS-FL's proposal permits the interconnecting parties—who understand their networks best and have the greatest incentive to achieve efficiencies—to determine where interconnection should take place. At the same time, minimum interconnection requirements are established to ensure that interconnection will take place between all carriers. MFS-FL opposes any interconnection plan that mandates too specifically where interconnection should take place. If carriers are not given flexibility as to where they can interconnect, inefficiencies will result. MFS-FL would therefore oppose any proposal that does not permit carriers to maximize the efficiency of their networks.

Q. WHAT DOES MFS-FL PROPOSE WITH RESPECT TO TRUNKING, SIGNALLING, AND OTHER IMPORTANT INTERCONNECTION ARRANGEMENTS?

A. GTE should exchange traffic between its network and the networks of competing carriers using reasonably efficient routing, trunking, and signalling arrangements. ALECs and GTE should reciprocally terminate LATA-wide traffic[2/] originating on each other's network, via two-way trunking

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[2/] The term "LATA-wide traffic" refers to calls between a user of local exchange service

(continued...)

arrangements. These arrangements should be jointly provisioned and engineered.

Moreover, each local carrier should be required to engineer its portion of the transmission facilities terminating at a D-NIP to provide the same grade and quality of service between its switch and the other carrier's network as it provides in its own network. At a minimum, transmission facilities should be arranged in a sufficient quantity to each D-NIP to provide a P.01 grade of service. MFS-FL and GTE should use their best collective efforts to develop and agree upon a Joint Inteconnection Grooming Plan prescribing statndards to ensure that trunk groups are maintained at this grade of service. Carriers should provide each other the same form and quality of interoffice signalling (*e.g.*, in-band, CCS, etc.) that they use within their own networks, and SS7 signalling should be provided where the carrier's own network is so equipped. (A more detailed description of these proposed arrangements is described in the Proposed MFS-FL Co-Carrier Agreement dated November 9, 1995, attached hereto as Exhibit TTD-2, at 13-14).

[2/](...continued)
where the new entrant provides the dial tone to that user, and a user of a GTE-provided local exchange service where GTE provides the dial tone to that user and where both local exchange services bear NPA-NXX designations associated with the same LATA.

ALECs should provide LEC-to-LEC CCS to one another, where available, in conjunction with LATA-wide traffic, in order to enable full inter-operability of CLASS features and functions. All CCS signalling parameters should be provided, including automatic number identification, originating line information, calling party category, charge number, etc. GTE and MFS-FL should cooperate on the exchange of Transactional Capabilities Application Part ("TCAP") messages to facilitate full inter-operability of CCS-based features between their respective networks. CCS should be provided by Signal Transfer Point-to-Signal Transfer Point connections. Given that CCS will be used cooperatively for the mutual handling of traffic, link facility and link termination charges should be prorated 50% between the parties. For traffic for which CCS is not available, in-band multi-frequency, wink start, and E&M channel-associated signalling will be forwarded. The Feature Group D-like ("FGD-like") trunking arrangements used by either party to terminate LATA-wide traffic may also be employed to terminate any other FGD traffic to that party, subject to payment of the applicable tariffed charges for such other traffic, e.g., interLATA traffic.

In addition to transmitting the calling party's number via SS7 signalling, 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. The terminating carrier should be required to observe the privacy indicator on calls received through traffic exchange arrangements in the same manner that it does for calls originated on its own network.

Each carrier should be required to provide the same standard of maintenance and repair service for its trunks terminating at the D-NIP as it does for interoffice trunks within its own network. Each carrier should be required to complete calls originating from another carrier's switch in the same manner and with comparable routing to calls originating from its own switches. In particular, callers should not be subject to diminished service quality, noticeable call set-up delays, or requirements to dial access codes or additional digits in order to complete a call to a customer of a different carrier.

Q. HOW SHOULD MFS-FL COMPENSATE GTE FOR TRANSITING TRAFFIC?

A. MFS-FL should only be required to pay for the GTE intermediary function of transiting traffic in the limited circumstances in which two ALECs that are not cross-connected and do not have direct trunks utilize GTE trunks to transit traffic. In all cases, ALECs should have an opportunity to cross-connect. In

those instances in which MFS-FL must pay for this intermediary function, it should pay the lesser of: 1) GTE's interstate or intrastate switched access per minute tandem switching element; or 2) a per minute rate of $0.002.

Q. WHY SHOULD CARRIERS BE REQUIRED TO USE TWO-WAY TRUNKING ARRANGEMENTS?

A. Carriers should be required to interconnect using two-way trunk groups wherever technically feasible. Use of two-way trunking arrangements to connect the networks of incumbent LECs is standard in the industry. Two-way trunk groups represent the most efficient means of interconnection because they minimize the number of ports each carrier will have to utilize to interconnect with all other carriers.

Q. SHOULD INCUMBENT CARRIERS AND NEW ENTRANTS BE REQUIRED TO PROVIDE BLV/I TRUNKS TO ONE ANOTHER?

A. MFS-FL and GTE should provide LEC-to-LEC Busy Line Verification and Interrupt ("BLV/I") trunks to one another to enable each carrier to support this functionality. MFS-FL and GTE should compensate one another for the use of BLV/I according to the effective rates listed in GTE's federal and state access tariffs, as applicable.

B. <u>Reciprocal Compensation</u>

Q. WHY IS RECIPROCAL COMPENSATION CRITICAL TO THE DEVELOPMENT OF LOCAL EXCHANGE COMPETITION IN FLORIDA?

A. Reciprocal compensation arrangements for exchange of local traffic, including traffic traditionally known as intraLATA toll traffic, will be critical to the success or failure of local competition. The level of these charges will have a considerably more dramatic impact on ALECs than on GTE. While virtually all of the traffic originated by ALEC customers will terminate on GTE's network, only a small percentage of calls placed by GTE customers will terminate on an ALEC's network. If "bill and keep" is not adopted, ALECs will be affected much more seriously than GTE. The compensation scheme for interconnection that is established in this proceeding can determine a significant portion of an ALEC's cost of doing business and is therefore critical to ensuring that the business of providing competitive local exchange service in Florida is a viable one.

Q. WHY DOES MFS-FL ADVOCATE THAT COMPETITORS UTILIZE A "BILL AND KEEP" SYSTEM OF RECIPROCAL COMPENSATION?

A. The "bill and keep" method of reciprocal compensation is administratively simple, avoids complex economic analysis which is at best subject to further questioning, and is fair. What is more, bill and keep is already the most commonly used method of reciprocal compensation between LECs throughout the country. Bill and keep is the ideal interim arrangement until rates can be set at the Long Run Incremental Cost of GTE interconnection once cost studies have been filed that will provide such cost information. During the first 18 months of traffic exchange, in order to assist the Commission, the ALECs, and the LECs in determining the most appropriate permanent compensation mechanism, an interim bill and keep compensation mechanism should be adopted.

Q. HOW DOES "BILL AND KEEP" WORK?

A. Under the "bill and keep" method of reciprocal compensation for interconnection, each carrier would be compensated in two ways for terminating local calls originated by customers of other carriers. First, each carrier would receive the reciprocal right to receive termination of local calls made by its own customers to subscribers on the other carrier's network without cash payment, often referred to as payment "in kind." In addition, 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 separate charge.

Q. WHAT ARE THE ADVANTAGES OF "BILL AND KEEP"?

A. One of the principal advantages of bill and keep, as compared with per-minute switched access charges, is that it economizes on costs of measurement and billing. With present technology, carriers are unable to measure the number of local calls that they terminate for any other given carrier. Measurement and billing costs could significantly increase the TSLRIC of the switching function for terminating traffic and could result in higher prices for consumers.

Q. WHAT IS THE IMPACT OF THIS INCREASED COST STEMMING FROM MEASUREMENT AND BILLING OF PER-MINUTE TERMINATION FEES?

A. The overall impact on the cost of providing local exchange service could be devastating for both business and residential consumers. In order for this significantly increased cost of providing local exchange service to be justified, there would have to be a very large imbalance in traffic to make such measurement worthwhile for society. Moreover, the costs of measurement would create entry barriers and operate to deter competition, since they would

be added to entrants' costs for nearly all calls (those terminated on the GTE's network), while being added only to a small fraction of GTE calls (those terminated on an ALEC's network).

Q. WHAT OTHER ADVANTAGES TO "BILL AND KEEP" DO YOU PERCEIVE?

A. The bill and keep method of compensation also provides incentives to carriers to adopt an efficient network architecture, one that will enable the termination of calls in the manner that utilizes the fewest resources. 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 utilize an efficient call termination design.

Q. HAS BILL AND KEEP BEEN ADOPTED IN OTHER STATES?

A. The use of the bill and keep method of compensation as long as traffic is close to being in balance (within 5%) has been adopted by the Michigan Public Service Commission. Likewise, the Iowa Utilities Board ordered use of the bill and keep method of compensation on an interim basis, pending the filing of cost studies. Both the Connecticut Department of Utility Control and the Washington Utilities and Transportation Commission also adopted bill and

keep in orders recently adopted. Finally, the California Public Utilities Commission recently endorsed bill and keep on an interim basis:

> "In the interim, local traffic shall be terminated by the LEC for the CLC and by the CLC for the LEC over the interconnecting facilities described in this Section on the basis of mutual traffic exchange. Mutual traffic exchange means the exchange of terminating local traffic between or among CLCs and LECs, whereby LECs and CLCs terminate local exchange traffic originating from end users served by the networks of other LECs or CLCs without explicit charging among or between said carriers for such traffic exchange."

Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service, R.95-04-043, I.95-04-044, Decision 95-07-054 (Cal. P.U.C., July 25, 1995).

Q. HAS "BILL AND KEEP" BEEN SUCCESSFULLY INSTITUTED BY INCUMBENT LECS?

A. Incumbent LECs throughout the United States have endorsed this compensation method by employing it with other LECs. "Bill and keep" arrangements and similar arrangements that approximate "bill and keep" are

common throughout the United States between non-competing LECs in exchanging extended area service calls.

Q. DOES MFS HAVE GOOD REASON TO BELIEVE THAT TRAFFIC WILL BE IN BALANCE BETWEEN GTE AND ALECS?

A. Yes. Although incumbents often argue that, if traffic is not in balance between two carriers, "bill and keep" is an imperfect method of compensation, this theory is discredited by the experience of an MFS-FL affiliate in New York, where MFS is terminating more calls from NYNEX customers than NYNEX is terminating from MFS customers. In the face of evidence that it is terminating more minutes of intercarrier traffic in New York than the incumbent LEC, and hence would profit from a compensation system that measures usage, MFS-FL's support for the bill and keep method of compensation is all the more credible.

Q. WHY WOULD BASING TERMINATING ACCESS ON SWITCHED ACCESS MAKE IT IMPOSSIBLE FOR ALECS TO COMPETE?

A. Given the flat-rated local exchange rates of GTE, payment of switched access would not permit economically viable local exchange competition. If MFS-FL must pay switched access rates and compete with GTE retail rates, the resulting price squeeze would render it impossible for ALECs such as MFS-

FL to compete in the Florida local exchange market. Accordingly, any efforts by GTE to impose additional costs on ALECs through the imposition of a number of additional charges — switched access interconnection charges, excessively priced unbundled loop charges (special access rates), additional trunking costs, and interim number portability charges, etc. — must not be permitted in the co-carrier arrangements mandated by the Commission.

Q. CAN YOU DEMONSTRATE THAT SWITCHED ACCESS RATES ARE UNACCEPTABLE?

A. Yes. A comparison of flat rates charged by BellSouth to residential customers with usage-based rates charged by BellSouth to competitors for terminating access demonstrates a classic price squeeze. It is this simple price squeeze that will ensure that competition does not take root in Florida. Significantly, particularly in a flat-rate environment, the price squeeze is most acute for larger customers. Thus, ALECs will have an even more difficult time competing for customers with 800 monthly minutes of use than for customers with 600 or 460 minutes of use. This makes the price squeeze a particularly effective means of crippling competitors.

Q. COULD YOU ELABORATE ON THE CONCEPT OF A PRICE SQUEEZE?

A. A price squeeze occurs where a firm with a monopoly over an essential input needed by other firms to compete with the first firm in providing services to end users sells the input to its competitor at a price that prevents the end user competitor from meeting the end user price of the first firm, despite the fact that the competitor is just as efficient as the first firm. A price squeeze is anticompetitive and deters entry into the market because, by raising entrants' costs, it forces an entrant who wishes to match the incumbent's prices to absorb losses as a price of entry. Because of their anticompetitive nature, price squeezes are condemned as contrary to the public policy and prohibited by the antitrust laws. *See, e.g., United States v. Aluminum Co. of America*, 148 F.2d 416, 437-38 (2d Cir. 1945); *Illinois Cities of Bethany v. F.E.R.C.*, 670 F.2d 187 (D.C.Cir. 1981); *Ray v. Indiana & Michigan Elect. Co.*, 606 F.Supp. 757 (N.D. Ind. 1984). The Commission can ensure that a price squeeze will not be implemented by applying imputation principles.

Q. WOULD IT BE POSSIBLE FOR ALEC'S TO USE LOCAL EXCHANGE SERVICE AS A LOSS-LEADER, BUT RECOUP THE LOSS AND MAKE A PROFIT THROUGH OTHER SERVICES, SUCH AS INTRALATA TOLL AND INTERLATA SERVICES?

A. As has been recognized in other jurisdictions, if local exchange competition is to succeed, competition must be possible in all segments of the local exchange market, without cross-subsidization from other services. As the Illinois Commerce Commission recently observed:

> "The issue is not whether a new LEC ultimately can scrape together revenues from enough sources to be able to afford Illinois Bell's switched access charge. The crucial issue is the effect of a given reciprocal compensation proposal on competition. . . . [A]doption of Illinois Bell's [switched access based] proposal and rationale would force new LECs to adopt either a premium pricing strategy or use local calling as a 'loss-leader'. That is not just or reasonable."

Illinois Bell Telephone Proposed Introduction of a Trial of Ameritech's Customers First Plan in Illinois, Docket No. 94-0096, at 98 (Ill. Comm. Comm'n., April 7, 1995). The Commission must ensure that inflated pricing for interconnection does not preclude ALECs from achieving operating efficiency by developing their own mixture of competitive products over time, including if a LEC so opts, the provision of local exchange service alone.

Q. WHY IS A USAGE-BASED SWITCHED ACCESS RATE FOR ALECS PARTICULARLY INAPPROPRIATE IN AN ENVIRONMENT IN WHICH GTE CHARGES ITS END-USER CUSTOMERS ON A FLAT-RATE BASIS?

A. As discussed above, usage-based switched access rates can result in a price squeeze, a result which is exacerbated at higher calling volumes. Unless usage-based terminating access rates are set at considerably low levels, ALECs are forced to charge usage-based rates to end-user customers to recover their costs. This precludes ALECs from offering customers a choice of flat-rate or measured service, as Florida LECs currently offer. Not only would ALECs be limited to measured usage services but, as discussed above, even charging usage-based rates, ALECs cannot begin to compete when paying switched access.

IV. SHARED NETWORK PLATFORM ARRANGEMENTS

Q. WHAT ARE THE "SHARED PLATFORM" ARRANGEMENTS TO WHICH YOU REFERRED EARLIER?

A. There are a number of systems in place today that support the local exchange network and provide customers with services that facilitate use of the network. Some of these service platforms must be shared by competing carriers in order to permit customers to receive seamless service. These platforms include the following:

a. Interconnection Between MFS-FL and Other Collocated Entities;

b. 911 and E-911 systems;

c. Information Services Billing and Collection;

d. Directory Listings and Distribution;

e. Directory Assistance Service;

f. Yellow Page Maintenance;

g. Transfer of Service Announcements;

h. Coordinated Repair Calls;

i. Busy Line Verification and Interrupt;

j. Information Pages; and

k. Operator Reference Database.

Q. WHAT ARE MFS-FL'S VIEWS ON GTE'S PROPOSED SHARED PLATFORM ARRANGEMENTS?

A. Although MFS-FL was not close to agreement with GTE on key co-carrier issues such as reciprocal compensation for traffic exchange, MFS-FL is hopeful that it will be able to reach agreement with GTE on most shared platform arrangements. Significantly, however, MFS-FL cannot agree to the pricing arrangements which require excessive contribution. With the exception of pricing issues, MFS-FL and GTE seem to agree on most arrangements for shared

platform arrangements for 911/E-911, Directory Listings and Directory Distribution, Busy Line Verification/Emergency Interrupt Services, Number Resource Arrangements, CCS Interconnection, Transfer of Service Announcements, Coordinated Repair Calls and Operator Reference Database. However, MFS-FL and GTE still disagree on several arrangements necessary to provide customers with seamless local exchange services including: (1) interconnection between MFS-FL and other co-located entities; (2) information services billing and collection; (3) licensing of GTE's directory assistance database; (4) maintenance of Yellow Page advertising; and (5) information pages.

I will address all of these shared platform arrangements in further detail below.

Q. WHAT STANDARDS SHOULD BE ADOPTED FOR INTERCONNECTION BETWEEN MFS-FL AND OTHER COLLOCATED FACILITIES?

A. GTE should enable MFS-FL to directly interconnect to any other entity which maintains a collocation facility at the same GTE wire center at which MFS-FL maintains a collocation facility, by effecting

a cross-connection between those collocation facilities, as jointly directed by MFS-FL and the other entity. For each such cross-connection, GTE should charge both MFS-FL and the other entity one-half the standard tariffed special access cross-connect rate. Any proposal that normal tariff rates apply for each interconnector that utilizes a collocation arrangement would be a barrier to competition because ALECs would be required to pay excessive rates for collocation arrangements.

Q. WHAT STANDARDS SHOULD BE ADOPTED FOR THE PROVISION OF 911/E911 SERVICES?

A. MFS-FL will need GTE to provide trunk connections to its 911/E-911 selective routers/911 tandems for the provision of 911/E911 services and for access to all sub-tending Public Safety Answering Points ("PSAP"). Interconnection should be made at the Designated Network Interconnection Point.[3/] GTE must also provide MFS-FL with the appropriate common

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[3/] As discussed, the D-NIP is the correspondingly identified wire center at which point MFS-FL and BellSouth will interconnect their respective networks for inter-operability within that LATA.

language location identifier ("CLLI") code and specifications of the tandem serving area.

GTE should arrange for MFS-FL's automated input and daily updating of 911/E911 database information related to MFS-FL end users. GTE must provide MFS-FL with the Master Street Address Guide ("MSAG") so that MFS-FL can ensure the accuracy of the data transfer. Additionally, GTE should provide to MFS-FL the ten-digit POTS number of each PSAP which sub-tends each GTE selective router/9-1-1 tandem to which MFS-FL is interconnected. Finally, GTE should use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of MFS-FL systems to the 911/E911 platforms.

Q. WHAT ARRANGEMENTS SHOULD BE MANDATED FOR INFORMATION SERVICES BILLING AND COLLECTION?

A. Where a LEC chooses to offer caller-paid information services, such as 976-XXXX services, customers of competing LECs in the same service territory should have the ability to call these numbers. In this case, either the LEC providing the audiotext service or its customer, the information provider, rather than the carrier serving the caller, determines the price of the service.

Therefore, a co-carrier arrangement should provide that the originating carrier will collect the information service charge as agent for the service provider, and will remit that charge (less a reasonable billing and collection fee) to the carrier offering the audiotext service. To the extent that any charges apply for the reciprocal termination of local traffic, the originating carrier should also be entitled to assess a charge for the use of its network in this situation. This issue should be addressed in the context of the reciprocal billing and collection arrangements.

MFS-FL will deliver information services traffic originated over its Exchange Services to information services provided over GTE's information services platform (*e.g.*, 976) over the appropriate trunks. GTE should at MFS-FL's option provide a direct real-time electronic feed or a daily or monthly magnetic tape in a mutually-specified format, listing the appropriate billing listing and effective daily rate for each information service by telephone number. To the extent MFS-FL determines to provide a competitive information services platform, GTE should cooperate with MFS-FL to develop a LATA-wide NXX code(s) which MFS-FL may use in conjunction with such platform. Additionally, GTE should route calls to such

platform over the appropriate trunks, and MFS-FL will provide billing listing/daily rate information on terms reciprocal to those specified above.

With respect to compensation issues, MFS-FL will bill and collect from its end users the specific end user calling rates GTE bills its own end users for such services, unless MFS-FL obtains tariff approval from the Commission specifically permitting MFS-FL to charge its end users a rate different than the rate set forth in GTE's tariff for such services. MFS-FL will remit the full specified charges for such traffic each month to GTE, less $0.05 per minute, and less uncollectibles. In the event MFS-FL provides an information service platform, GTE should bill its end users and remit funds to MFS-FL on terms reciprocal to those specified above.

Q. WHAT STANDARDS SHOULD APPLY TO DIRECTORY LISTINGS AND DIRECTORY ASSISTANCE SERVICE?

A. The public interest requires that persons be able to obtain telephone listing information for a given locality by consulting only one printed directory or one directory assistance operator. No useful purpose would be served by publishing a separate directory of MFS-FL's customers. MFS-FL therefore

proposes that GTE include MFS-FL's customers' telephone numbers in all its "White Pages" and "Yellow Pages" directory listings and directory assistance databases associated with the areas in which MFS-FL provides services to such customers, and will distribute such directories to such customers, in the identical and transparent manner in which it provides those functions for its own customers' telephone numbers. MFS-FL should be provided the same rates, terms and conditions for enhanced listings (i.e., bolding, indention, etc.) as are provided to GTE customers.

Under MFS-FL's proposal, MFS-FL will provide GTE with its directory listings and daily updates to those listings in an industry-accepted format; GTE will provide MFS-FL a magnetic tape or computer disk containing the proper format. MFS-FL and GTE will accord MFS-FL's directory listing information the same level of confidentiality which GTE accords its own directory listing information, and GTE will ensure that access to MFS-FL's customer proprietary confidential directory information will be limited solely to those GTE employees who are directly involved in the preparation of listings.

Q. WHAT STANDARDS SHOULD BE ADOPTED FOR BUSY LINE VERIFICATION AND INTERRUPT?

A. MFS-FL and GTE should establish procedures whereby their operator bureaus will coordinate with each other in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus should be routed over the appropriate trunks.

Q. WHAT STANDARDS SHOULD BE ADOPTED FOR DIRECTORY ASSISTANCE?

A. At MFS-FL's request, GTE should: (1) provide to MFS-FL operators or to an MFS-FL-designated operator bureau on-line access to GTE's directory assistance database, where such access is identical to the type of access GTE's own directory assistance operators utilize in order to provide directory assistance services to GTE end users; (2) provide to MFS-FL unbranded directory assistance service which is comparable in every way to the directory assistance service GTE makes available to its own end users; (3) provide to MFS-FL directory assistance service under MFS-FL's brand which is comparable in every way to the directory assistance service GTE

makes available to its own end users; (4) allow MFS-FL or an MFS-FL-designated operator bureau to license GTE's directory assistance database for use in providing competitive directory assistance services; and (5) in conjunction with (2) or (3), above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service GTE makes available to its own end users. If call completion services were to be resold, GTE should be required to provide calling detail in electronic format for MFS-FL to rebill the calling services.

Q. WHAT STANDARDS SHOULD BE ADOPTED FOR YELLOW PAGE MAINTENANCE AND TRANSFER OF SERVICE ANNOUNCEMENTS?

A. With regard to Yellow Page maintenance, GTE should work cooperatively with MFS-FL to ensure that Yellow Page advertisements purchased by customers who switch their service to MFS-FL (including customers utilizing MFS-FL-assigned telephone numbers and MFS-FL customers utilizing co-carrier number forwarding) are maintained without interruption. GTE should allow MFS-FL customers to purchase new yellow pages advertisements

without discrimination, at non-discriminatory rates, terms and conditions. GTE and MFS-FL should implement a commission program whereby MFS-FL may, at MFS-FL's discretion, act as a sales, billing and collection agent for Yellow Pages advertisements purchased by MFS-FL's exchange service customers.

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

Q. WHAT STANDARDS SHOULD BE ADOPTED FOR COORDINATED REPAIR CALLS, INFORMATION PAGES AND OPERATOR REFERENCE DATABASE?

A. With respect to misdirected repair calls, MFS-FL and GTE should educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus. To the extent the correct provider can be determined, misdirected repair calls should be referred to

the proper provider of local exchange service in a courteous manner, at no charge, and the end user should be provided the correct contact telephone number. Extraneous communications beyond the direct referral to the correct repair telephone number should be strictly prohibited. In addition, MFS-FL and GTE should provide their respective repair contact numbers to one another on a reciprocal basis.

GTE should include in the "Information Pages" or comparable section of its White Pages Directories for areas served by MFS-FL, listings provided by MFS-FL for MFS-FL's calling areas, services installation, repair and customer service and other information. Such listings should appear in the manner and likenesses as such information appears for subscribers of the GTE and other LECs.

GTE should also be required to provide operator reference database ("ORDB") updates on a monthly basis at no charge in order to enable MFS-FL operators to respond in emergency situations.

VI. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS

Q. WHAT ASPECTS OF NUMBER PORTABILITY WERE NOT ADDRESSED IN THE SEPARATE NUMBER PORTABILITY PROCEEDING?

A. First, the operational issues that MFS-FL proposes are fully addressed in its Proposed Co-Carrier Agreement on pp. 26-28, attached hereto as Exhibit 2. Second, the interim number portability stipulation explicitly delayed the issue of "compensation for termination of ported calls and the entitlement to terminating network access charges on ported calls." Number Portability Stipulation at 3. To the extent that the majority of ALEC customers will initially be former LEC customers utilizing interim number portability, this is a critical issue for MFS-FL and other ALECs. Switched access and local compensation should apply regardless of whether a call is completed using interim number portability. MFS-FL believes that this is the only approach consistent with the Commission's goal of introducing competition in the local exchange market.

Q. WHICH CARRIER SHOULD COLLECT THE CHARGES FOR TERMINATION OF TRAFFIC ON ITS NETWORK WHEN A CALL IS RECEIVED VIA NUMBER RETENTION?

A. Only if the customers' carrier collects these revenues will competition be stimulated by interim number portability. Allowing the incumbent LEC to retain toll access charges for calls terminated to a retained number belonging to a customer of another carrier would have three adverse consequences.

First, it would reward the incumbent LEC for the lack of true local number portability, and therefore provide a financial incentive to delay true number portability for as long as possible. Second, it would help reinforce the incumbent LEC bottleneck on termination of interexchange traffic, and thereby stifle potential competition in this market. Third, it would impede local exchange competition by preventing new entrants from competing for one significant component of the revenues associated with that service, namely toll access charges.

MFS does not subscribe to the LEC conventional wisdom that access charges "subsidize" local exchange service, since there is no evidence that the forward-looking economic cost of the basic local exchange service exceeds its price as a general matter (aside from special circumstances such as Lifeline, where a subsidy may exist). Nonetheless, access charges clearly provide a significant source of revenue -- along with subscriber access charges, local flat-rate or usage charges, intraLATA toll charges, vertical feature charges, and perhaps others -- that justify the total cost of constructing and operating a local exchange network, including shared and common costs. It is unrealistic to expect ALECs to make the substantial capital investment required to construct and operate competitive networks if

they will not have the opportunity to compete for all of the services provided by the LECs and all of the revenues generated by those services. As long as true local number portability does not exist, the new entrants' opportunity to compete for access revenue would be severely restricted if they had to forfeit access charges in order to use interim number portability arrangements.

Q. SHOULD COMPENSATION ARRANGEMENTS FOR THE EXCHANGE OF LOCAL OR TOLL TRAFFIC BETWEEN LECS VARY DEPENDING ON WHETHER INTERIM NUMBER PORTABILITY WAS IN PLACE ON A GIVEN CALL?

A. No. Temporary number portability is a technical arrangement that will permit competition to take root in Florida. The purpose of temporary number portability is to permit new entrants to market their services to customers by permitting customers to retain their phone numbers when switching to a new provider. Because it is necessary to bring to the public the benefits of competition at this time, temporary number portability benefits all callers, and has absolutely nothing to do with compensation. These issues should not be mixed, and compensation should not vary depending on whether temporary number portability is in place or not.

Q. WHAT COMPENSATION ARRANGEMENT SHOULD APPLY TO REDIRECTED CALLS UNDER TEMPORARY NUMBER PORTABILITY?

A. GTE should compensate MFS-FL as if the traffic had been terminated directly to MFS-FL's network, except that certain transport elements should not be paid to MFS-FL to the extent that GTE will be transporting the call on its own network. Thus, for LATA-wide calls originating on GTE's network and terminating on MFS-FL's network, the effective inter-carrier compensation structure at the time the call is placed should apply. Traffic from IXCs forwarded to MFS-FL via temporary number portability should be compensated by GTE at the appropriate intraLATA, interLATA-intrastate, or interstate terminating access rate less those transport elements corresponding to the use of the GTE network to complete the call. In other words, GTE should receive entrance fees, tandem switching, and part of the tandem transport charges. MFS-FL should receive local switching, the RIC, the CCL, and part of the transport charge. (The pro-rata billing share to be remitted to MFS-FL should be identical to the rates and rate levels as non-temporary number portability calls.) GTE will bill and collect from the IXC and remit the appropriate portion to MFS-FL.

Q. HAS GTE AGREED TO THIS POSITION?

A. No. As I stated in my earlier testimony, GTE and MFS-FL have been unable to come to an agreement on these issues.

Q. ARE THERE ANY OTHER INTERIM NUMBER PORTABILITY ISSUES THAT ARE UNLIKELY TO BE ADDRESSED IN THE SEPARATE PROCEEDING?

A. Yes. The details of how a request for interim number portability will be processed and billed were not addressed. MFS-FL believes that the Commission should address these issues in this proceeding to ensure that interim number portability is implemented efficiently and without dispute.

V. NUMBER RESOURCES ARRANGEMENTS

Q. WAS AGREEMENT REACHED ON THE ISSUE OF NUMBER RESOURCES?

A. No. GTE and MFS-FL have been unable to come to a satisfactory agreement on this issue.

Q. AS A CO-CARRIER, TO WHAT NUMBER RESOURCES IS MFS-FL ENTITLED?

A. As a co-carrier, MFS-FL is entitled to the same nondiscriminatory number resources as any Florida LEC under the Central Office Code Assignment

Guidelines ("COCAG"). GTE, to the extent that it assigns NXX codes in Florida, should therefore support all MFS requests related to central office (NXX) code administration and assignments in an effective and timely manner. MFS-FL and GTE will comply with code administration requirements as prescribed by the Federal Communications Commission, the Commission, and accepted industry guidelines. As contemplated by the COCAG, MFS-FL will designate within the geographic NPA with which each of its assigned NXX codes is associated, a Rate Center area within which it intends to offer Exchange Services bearing that NPA-NXX designation, and a Rate Center point to serve as the measurement point for distance-sensitive traffic to or from the Exchange Services bearing that NPA-NXX designation. MFS-FL will also designate a Rating Point for each assigned NXX code. MFS-FL may designate one location within each Rate Center as the Rating Point for the NPA-NXXs associated with that Rate Center; alternatively, MFS-FL may designate a single location within one Rate Center to serve as the Rating Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by MFS-FL within the same LATA.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

MFS COMMUNICATIONS COMPANY, INC.

GOVERNMENT AFFAIRS OFFICE
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July 19, 1995

Mr. Mike Marczak
GTE South
Post Office Box 110, MC7
Tampa, FL 33601

Dear Mike:

In preparation for the upcoming Co-carrier meeting between MFS and GTE, I have prepared the following outline of MFS's proposed arrangements for the co-provision of local exchange services.

I. Number Assignments - MFS will order its own NXX's through the established industry guidelines. MFS will establish rating points for these NXX's, and will list the numbers in the appropriate industry routing and rating guides.

II. Tandem Subtending/Meet-point Billing - Under established industry guidelines, MFS will interconnect with a GTE access tandem for the provision of switched access services to interexchange carriers. MFS will negotiate the appropriate billing percentages for jointly provided transport services. MFS prefers a single-bill approach for the provision of these services. Included in this arrangement is the routing of 800 calls originated by an MFS end user.

III. Interconnection and Reciprocal Compensation - This defines the physical arrangements that MFS and GTE will configure to exchange local and toll traffic, and the financial arrangements associated with such arrangements. Existing switched access charges are not appropriate for the termination of local traffic because these rates greatly exceed the long run incremental cost of terminating traffic, and in many cases exceed the retail rate of local calling services.

A. Interconnection of Networks - MFS proposes that interconnection of networks be accomplished through meet points. Each carrier will be responsible for providing trunking to the meet point for the hand off of combined local and toll traffic, and be responsible for completing calls to all end user on their networks at the appropriate interconnection rate.

B. Shared trunk groups - Carriers will pass both toll and local traffic over a single trunk group. A percent local utilization factor will be used to provide the proper local vs. toll percentage, subject to audit.

C. Pricing of interconnection arrangements - MFS proposes that a Bill and Keep, or mutual exchange, arrangement be utilized for the termination of local calls until the long run incremental cost of terminating calls is developed. Under this arrangement, the local portion of traffic completed by the other carrier is not billed. Toll traffic will be billed under the appropriate state or interstate access rates.

IV. Shared Platform Arrangements - The following shared platform arrangements are necessary to provide the full range of necessary local exchange services. MFS would like to explore, where possible, the ability to update appropriate databases by electronic means.

A. Interconnection to 911 systems - Provides for the establishment of trunking between MFS and established 911 hubs for the proper routing of calls.

B. 911 database access - Provides for the update of established ALI databases for the inclusion of new entrant customers.

C. Directory Listings - Provides that new entrants customers are provided the same free initial listing in the existing Bell white and yellow pages as they would receive as a Bell end user.

D. Directory Publishing and Delivery - Provides that new entrant customers are provided the same free service for the delivery of white pages as they would receive as a Bell end user.

E. Directory Assistance Database - Provides that new entrant customers are included in the existing Bell Directory Assistance Database.

F. Access to the Master Street Access Guide (MSAG) - This provides emergency service numbers and information for the correct routing of 911 calls.

G. Interconnection of Operator Service Platforms for the provision of Busy Line Verification and Interrupt Services.

H. Billing Arrrangements for Mass Announcement Services

V. Unbundling - Unbundling refers to the utilization of components of GTE's presently tariffed services. MFS's initial unbundling proposal is to begin utilization of loop facilities between a BellSouth central office and a customer premises. Unbundling will require the utilization of collocation for intrastate services, and the utilization of digital loop carrier systems within the collocation arrangements. Loop pricing should be appropriately discounted from the retail price for bundled dial tone line services.

VI. Interim Number Portability - MFS proposes that a remote call forwarding approach be utilized, with SS7 signalling to allow the utilization of certain Class features, until such a point where full number portability is made available. No charge should be applied, with the agreement that MFS would provide the same arrangement back to BellSouth at no charge.

I look forward to discussing these issues with you at the meeting. Please call me at (212) 843-3056 if you would like to discuss any of these issues before hand.

Sincerely,

Gary J. Ball
Director of Regulatory Affairs

MFS™
Communications Company, Inc.

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November 9, 1995

Mr. Mike Marczyk
Senior Account Manager
GTE Telephone Operations
One Tampa City Center
Post Office Box 110 MC FLTC0009
Tampa, Florida 33601-0110

Via Facsimile & Overnite Mail
@813 228 5326

Dear Mike:

Attached please find a Co-carrier agreement which I am proposing for MFS and GTE to execute to address Interconnection and Unbundling between our companies in the state of Florida. I am requesting that GTE review the agreement and provide me written comments by the close of business Wednesday, November 22.

Also, I am proposing that we schedule a meeting the week of November 13 to discuss the proposed agreement. I am available to meet next week, any day, except Tuesday, November 14.

Please contact me at 404 224 6115 if you have any questions, and to schedule a meeting date.

Sincerely,

Timothy T. Devine

The Parties, each of which currently provides or intends to provide Exchange Services over their own respective switching networks in the State of Florida, agree pursuant to this Stipulation and Agreement to extend certain arrangements to one another as described and according to the terms, conditions and pricing specified hereunder. The Parties enter into this agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum.

I. RECITALS & PRINCIPLES

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

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

WHEREAS, encouraging fair, efficient and reasonable connectivity of networks has been identified as being in the public interest and as a guiding principle of U.S. telecommunications policy throughout this century[1]; and

WHEREAS, the events of the last three decades have made it abundantly clear that competition in communications markets has been highly beneficial to consumers and society as a whole; and

WHEREAS, it is now possible and eminently desirable to extend the benefits of competition to the local exchange services market; and

WHEREAS, the most basic prerequisite for the mere introduction of local exchange competition is the establishment of certain arrangements between and among incumbent and entrant local exchange carriers; and

WHEREAS, in order that the greatest possible benefits should accrue to consumers and society, such arrangements must: (1) allow the natural development of full, fair, efficient and effective local exchange competition; (2) allow each carrier to recognize and respond to competitive market incentives to configure robust, high quality, least-cost, efficient networks, to innovate, to optimize overall operations, to improve total customer service and customer responsiveness; and (3) ensure optimal inter-operability and service transparency to all end users, regardless of the carrier from which the end user chooses to receive service; and

[1] Beginning at least with the "Kingsbury Commitment of 1913", wherein the Bell System, in a bid to stave off anti-trust action, committed to the United States Attorney General to, among other things, connect its networks with those of independent telephone companies.

WHEREAS, in order for efficiency and fairness to uphold in these arrangements, it is essential that each incumbent and entrant local exchange carrier be allowed the greatest possible flexibility and discretion to develop its own basic business strategies -- especially with respect to network design, technology and capital choice and deployment, management of operating expenses, product offerings and product packaging -- and should take sole responsibility for, and bear all risks associated with its own strategies and decisions in these areas; and

WHEREAS, no carrier should be in a position to shift any burdens arising from its own unilateral decisions and strategies in these areas onto its competitors, nor be able to confiscate from a competitor any benefits arising from that competitor's own unilateral decisions and strategies; and

WHEREAS, in the service of maximum inter-operability, each incumbent and entrant local exchange carrier should be able to efficiently, flexibly, and robustly exchange traffic and signaling with every other carrier operating in the same area at well-defined and standardized points of mutually agreed interconnection;

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

II. DEFINITIONS

A. "Automatic Number Identification" or "ANI" refers to the number transmitted through the network identifying the calling party.

B. "Central Office Switch", "Central Office" or "CO" means a switching entity within the public switched telecommunications network, including but not limited to:

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

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

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

C. "CLASS Features" (also called "Vertical Features") include: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per

Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.

D. "Co-Location" or "Co-Location Arrangement" is an interconnection architecture method in which one carrier extends network transmission facilities to a wire center/aggregation point in the network of a second carrier, whereby the first carrier's facilities are terminated into equipment installed and maintained in that wire center by or on the behalf of the first carrier for the primary purpose of interconnecting the first carrier's facilities to the facilities of the second carrier.

E. "Commission" means the Florida Public Service Commission (PSC).

F. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network that carries the actual call.

G. "Cross Connection" means an intra-wire center channel connecting separate pieces of telecommunications equipment including equipment between separate co-location facilities.

H. "DID" means direct inward dialing.

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

J. "DS-3" is a digital signal rate of 44.736 Mbps.

K. "DSX panel" is a cross-connect bay/panel used for the termination of equipment and facilities operating at digital rates.

L. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files.

M. "Entrant Local Exchange Carrier" or "ELEC" means a LEC which is not the current or former Incumbent Local Exchange Carrier in any geographic area.

N. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 *CRIS Exchange Message*

Record, a Bellcore document which defines industry standards for exchange message records.

O. "Exchange Service" refers to all basic access line, PBX trunk, Centrex/ESSX-like services, ISDN services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network, and which enable such end users to place or receive calls to all other stations on the public switched telecommunications network.

P. "Incumbent Local Exchange Carrier" or "ILEC" means a LEC which is currently or was previously the exclusive LEC in a given geographic area.

Q. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. The architecture of interconnection may include several methods including, but not limited to co-location arrangements and mid-fiber meet arrangements.

R. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.

S. "Interim Number Portability" or "INP" means the transparent delivery of Local Telephone Number Portability ("LTNP") capabilities, from a customer standpoint in terms of call completion, and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.

T. "ISDN" means Integrated Services Digital Network; a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B + D). Primary Rate Interface-ISDN (PRI-ISDN) provides for digital transmission of twenty-three (23) 64 Kbps bearer channels and one 16 Kbps data channel (23 B + D).

U. "Line Side" refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to a ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone station set.

V. "Link Element" or "Link" is a component of an Exchange Service; for purposes of general illustration, the "Link Element" is the transmission

facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in an ILEC end office wire center, to a demarcation or connector block in/at a customer's premises. Traditionally, links were provisioned as 2-wire or 4-wire copper pairs running from the end office distribution frame to the customer premise; however, a link may be provided via other media, including radio frequencies, as a channel on a high capacity feeder/distribution facility which may in turn be distributed from a node location to the customer premise via a copper or coax drop facility, etc. Links fall into the following categories:

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

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

"4-wire DS-1 digital grade links" will support full duplex transmission of isochronous serial data at 1.544 Mbps. This T-1/DS-1 type of loop provides the equivalent of 24 voice grade/DS0 channels.

W. "Local Exchange Carrier" or "LEC" means any carrier that provides facility-based Exchange Services utilizing a switch it owns or substantially controls in conjunction with unique central office codes assigned directly to that carrier. This includes both Incumbent Local Exchange Carriers ("ILEC") and Entrant Local Exchange Carriers ("ELEC").

X. "Local Telephone Number Portability" or "LTNP" means the technical ability to enable an end user customer to utilize its telephone number in conjunction with any exchange service provided by any Local Exchange Carrier operating within the geographic number plan area with which the customer's telephone number(s) is associated, regardless of whether the customer's Chosen Local Exchange Carrier is the carrier which originally assigned the number to the customer, without penalty to either the customer or its chosen local exchange carrier.

Y. "Main Distribution Frame" or "MDF" is the primary point at which outside plant facilities terminate within a wire center, for interconnection to other telecommunications facilities within the wire center.

Z. "Meet-Point Billing" or "MPB" refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by their effective access tariffs.

AA. "MECAB" refers to the *Multiple Exchange Carrier Access Billing (MECAB)* document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.

BB. "MECOD" refers to the *Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface*, a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establish methods for processing orders for access service which is to be provided by two or more LECs.

CC. "Mid-Fiber Meet" is an interconnection architecture method whereby two carriers meet at a fiber splice in a junction box.

DD. "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and the Caribbean countries which employ NPA 809.

EE. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" or

"SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 800, 900, 700, and 888 are examples of Non-Geographic NPAs.

FF. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NXX Code contains 10,000 station numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.

GG. "On-Line Transfer" means the transferring of an incoming call to another telephone number without the call being disconnected.

HH. "Permanent Number Portability" or "PNP" means the use of a database solution to provide fully transparent LTNP for all customers and all providers without limitation.

II. "Plain Old Telephone Service Traffic" or "POTS traffic" refers to calls between two or more Exchange Service users, where both Exchange Services bear NPA-NXX designations associated with the same LATA or other authorized area (e.g., Extended Area Service Zones in adjacent LATAs). POTS traffic includes the traffic types that have been traditionally referred to as "local calling", as "extended area service (EAS)", and as "intraLATA toll".

JJ. "Port Element" or "Port" is a component of an Exchange Service; for purposes of general illustration, the "Port" is a line card and associated peripheral equipment on an ILEC end office switch which serves as the hardware termination for the customer's exchange service on that switch and generates dial tone and provides the customer a pathway into the public switched telecommunications network. Each Port is typically associated with one (or more) telephone number(s) which serves as the customer's network address. Port categories include:

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

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

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

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

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

KK. "Rate Center" means the specific geographic point and corresponding geographic area which have been identified by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Exchange Services. The "rate center point" is the finite geographic point identified by a specific V&H coordinate, which is used to measure distance-sensitive enduser traffic to/from Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The "rate center area" is the exclusive geographic area which the LEC has identified as the area within which it will provide Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The Rate Center point must be located within the Rate Center area.

LL. "Rating Point", sometimes also referred to as "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bear a certain NPA-NXX designation. Pursuant to Bellcore Practice BR 795-100-100, the Rating Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection". Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Rating Point/Routing Point need not be the same as the Rate Center Point, nor must it be located within the Rate Center Area.

MM. "Reference of Calls" refers to a process in which calls are routed to an announcement which states the new telephone number of an end user.

NN. "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.

OO. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services.

PP. "Synchronous Optical Network" or "SONET" means ...

QQ. "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of non-POTS traffic to or from Exchange Services offered in a given area. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 access, and 900 access.

RR. "Trunk Side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example a private branch exchange ("PBX") or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and can not be used for the direct connection of ordinary telephone station sets.

SS. "Wire Center" means a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched.

III. DEFAULT NETWORK INTERCONNECTION ARCHITECTURE

LECs shall interconnect their networks as necessary to effect the Co-Carrier Arrangements identified in Parts V., VI., VII., and IX. Any two or more LECs shall be free to employ whatever network interconnection architecture and at whatever points as the may mutually agree, provided that each LEC makes available the same arrangements to each other LEC operating within the same areas. Notwithstanding any mutual agreements which may be established between carriers regarding the architecture of network interconnection arrangements they may voluntarily establish between their networks, each LEC shall, upon request by any other LEC, minimally make available to that LEC interconnection arrangements conforming to the default network interconnection architecture defined below:

A. In each LATA within which at least one ELEC provides Exchange Service, the ILEC wire center housing the ILEC tandem switch with the greatest traffic volume in the LATA shall be designated as the Default Network Interconnection Point ("D-NIP"). The D-NIP shall be the point at which all LECs providing Exchange Services within the LATA shall have the right to interconnect to all other LECs providing Exchange Services within the LATA.

B. Where an ELEC and an ILEC interconnect at a D-NIP, ELEC shall have the right to specify any of the following interconnection methods:

1. a mid-fiber meet at the D-NIP, or in a manhole or other appropriate junction point near to or just outside the D-NIP;

2. a digital cross-connection hand-off, DSX panel to DSX panel, where both the ELEC and the ILEC maintain such facilities at the D-NIP;

3. a co-location facility maintained by ELEC, or by a 3rd-party with whom ELEC has contracted for such purposes, at an ILEC wire center, where such wire center has been designated as the D-NIP; or

4. a co-location facility maintained by ILEC, or by a 3rd-party with whom ILEC has contracted for such purposes, at an ELEC wire center, where such wire center has been designated as the D-NIP.

C. In extending network interconnection facilities to the D-NIP, ELEC shall have the right to extend its own facilities or to lease dark fiber facilities or digital transport facilities from ILEC or from any 3rd-party, subject to the following terms:

1. Such leased facilities shall extend from any point designated by ELEC on its own network (including a co-location facility maintained by ELEC at an ILEC wire center) to the D-NIP or associated manhole or other appropriate junction point.

2. Where ELEC leases such facilities from ILEC, ELEC shall have the right to lease under the most favorable tariff or contract terms ILEC offers.

D. Where an interconnection occurs via a co-location facility, no incremental cross-connection charges shall apply for the circuits required by this agreement.

E. Upon reasonable notice, ELEC may change from one of the interconnection methods specified above, to one of the other methods specified above, with no penalty, conversion, or rollover charges.

IV. NUMBER RESOURCE ARRANGEMENTS

A. Nothing in this agreement shall be construed to in any manner limit or otherwise adversely impact any LEC's right to employ or to request and

be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines[2].

B. As contemplated by the Central Office Code Assignment Guidelines, each LEC shall designate within the geographic NPA with which each of its assigned NXX codes is associated, a Rate Center area within which it intends to offer Exchange Services bearing that NPA-NXX designation, and a Rate Center point to serve as the measurement point for distance-sensitive traffic to/from the Exchange Services bearing that NPA-NXX designation.

C. Each LEC will also designate a Rating Point for each assigned NXX code. A LEC may designate one location within each Rate Center as the Rating Point for the NPA-NXXs associated with that Rate Center; alternatively, the LEC may designate a single location within one Rate Center to serve as the Rating Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by the LEC within the same LATA.

D. To the extent any ILEC serves as Central Office Code Administrator for a given region, the ILEC will support all other LEC requests related to central office (NXX) code administration and assignments in an effective and timely manner.

E. All LECs will comply with code administration requirements as prescribed by the Federal Communications Commission, the Public Service Commission, and accepted industry guidelines.

F. It shall be the responsibility of each LEC to program and update its own switches and network systems to recognize and route traffic to each other LEC's assigned NXX codes at all times. No LEC shall impose any fees or charges whatsoever on any other LEC for such activities.

V. MEET-POINT BILLING ARRANGEMENTS

A. Description

1. Each ELEC may at its sole option and discretion establish meet-point billing arrangements with an ILEC in order to provide Switched Access Services to third parties via an ILEC access tandem switch, in accordance with the Meet-Point Billing

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

guidelines adopted by, and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein.

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

3. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, interconnection for the meet-point arrangement shall occur at the D-NIP.

4. Common channel signalling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to the extent such signaling is resident in the ILEC access tandem switch.

5. ELEC and ILEC will use their best reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this meet-point billing arrangement, including meet-point billing percentages.

6. As detailed in the MECAB document, ELEC and ILEC will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by ELEC and ILEC via the meet-point arrangement.[3] Information shall be exchanged in Electronic Message Record ("EMR") format, on magnetic tape or via a mutually acceptable electronic file transfer protocol.

7. ELEC and ILEC shall employ the calendar month billing period for meet-point billing, and shall provide each other, at no charge, the Usage Data.

[3] Including, as necessary, call detail records, interstate/intrastate/intraLATA percent of use factors, carrier name and billing address, carrier identification codes, serving wire center designation, etc., associated with such switched access traffic.

B. Compensation

1. At ELEC's option, billing to 3rd-parties[4] for the Switched Access Services jointly provided by ELEC and ILEC via the meet-point arrangement shall be according to the single-bill/single tariff method, single-bill/multiple-tariff method, multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method.

2. Switched Access charges to 3rd-parties shall be calculated utilizing the rates specified in ELEC's and ILEC's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing factors specified for each meet-point arrangement either in those tariffs or in the NECA No. 4 tariff.

3. ELEC shall be entitled to the balance of the switched access charge revenues associated with the jointly handled switched access traffic, less the amount of transport element charge revenues[5] to which ILEC is entitled pursuant to the above-referenced tariff provisions.

4. Where ELEC specifies one of the single-bill methods, ILEC shall bill and collect from 3rd parties, promptly remitting to ELEC the total collected switched access charge revenues associated with the jointly-handled switched access traffic, less only the amount of transport element charge revenues to which ILEC is otherwise entitled.

5. MPB will apply for all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an IXC. In those situations where the responsible party for such traffic is a LEC, full switched access rates will apply.

VI. RECIPROCAL TRAFFIC EXCHANGE ARRANGEMENT

A. Description

LECs shall reciprocally terminate POTS calls originating on each others' networks. Except in those instances where two (or more) LECs have

[4] Including any future ILEC separate interexchange subsidiaries.

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

negotiated mutually-agreeable alternative network interconnection arrangements, reciprocal traffic exchange shall occur as follows:

1. LECs shall make available to each other interconnection facilities for the reciprocal exchange of POTS traffic at the D-NIP. The POTS reciprocal traffic exchange facilities established between any two LECs shall be configured as two separate trunk groups, whereby the first LEC shall utilize the first trunk group to terminate traffic to the second LEC, and the second LEC shall utilize the second trunk group to terminate traffic to the first LEC.

2. The connections between the interconnection trunk groups shall be made at a DS-1 or multiple DS-1 level (including SONET) and shall be jointly-engineered to an objective P.01 grade of service.

3. Initial connections shall be made at an aggregate network level per D-NIP, such that a single trunk group shall be established in each direction between the two LEC networks, unless otherwise agreed to by the two LECs.

   In those instances where the total traffic in either direction between the networks of two LECs (other than the ILEC with the greatest traffic in the LATA) is less than 2,000,000 per month for a sustained period of six (6) months, the ILEC which carries the greatest amount of traffic within the LATA shall allow those two LECs to route traffic between their respective networks via the aggregate traffic exchange trunk groups each LEC maintains with the ILEC for the exchange of traffic with the ILEC. In such instances, ILEC shall route traffic between the two LECs as if the originating LEC network was a single switching entity within the ILEC's own network.

4. Whenever the total traffic in either direction between discrete switching entities in two separate LEC networks exceeds 2,000,000, per month for a sustained period of three (3) months, disaggregated traffic exchange trunk group paths shall be established between those two switching entities at the option of either LEC. The interconnection architecture shall be the same as that which pertained for the aggregated connections.

5. Each party shall deliver to each other party POTS traffic at the D-NIP associated with the LATA in which the POTS traffic occurs.

6. LECs will provide Common Channel Signalling (CCS) to one another, where and as available, in conjunction with all traffic

exchanged at the D-NIP. LECs will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions. All CCS signalling parameters will be provided including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored. Network signalling information such as Carrier Identification Parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided wherever such information is needed for call routing or billing. For traffic for which CCS is not available, in-band multi-frequency (MF), wink start, E&M channel-associated signalling with ANI will be forwarded.

7. LECs shall establish company-wide CCS interconnections STP-to-STP. Such interconnections shall be made at the D-NIP, as necessary.

8. Where any two LECs exchange traffic at the D-NIP, one LEC may request, and the second LEC shall provide within 60 days of receiving such request, a separated trunk group from the D-NIP to a specific end office or tandem switching entity in the network of the second LEC, in that the first LEC may utilize such separated trunk group in order to both terminate POTS traffic to points subtending that specific switch, and terminate and originate to such points non-POTS which would otherwise be terminated or originated to such switch via Feature Group ("FGD") Switched Access Services which the first LEC would otherwise purchase from the second LEC. All POTS traffic carried over such trunk group shall be subject solely to the compensation arrangements specified below for POTS traffic. All non-POTS traffic carried over such trunk group shall be subject solely to the applicable tariffed FGD Switched Access charges which would otherwise apply to such traffic, as described below.

B. Compensation

1. A POTS call handed-off at the D-NIP corresponding to the LATA in which the call occurs, shall be exchanged on an in-kind basis, with no charges, including CCS charges, applying in either direction.

2. A POTS call which is routed between two LECs via the aggregate traffic exchange trunk groups which each LEC maintains between its own network and the network of the largest ILEC operating in

the LATA, shall be exchanged on an in-kind basis, with no charges applying in either direction between the two LECs at either end of the call. However, the LEC on whose network the call originated shall pay the ILEC the lesser of : (1) ILEC's interstate Switched Access Service per minute tandem switching rate element; (2) ILEC's intrastate Switched Access Service per minute tandem switching rate element; or (3) a per minute rate of $0.002. Should non-POTS traffic be exchanged over such arrangements, in either direction, such traffic will be subject to the standard meet-point billing compensation and procedures which would otherwise apply.

3. FGD charges for non-POTS traffic carried together with POTS traffic over a separated trunk group shall be calculated as follows:

   a. FGD charges for non-POTS traffic shall be applied as if the D-NIP is the serving wire center for the FGD service.

   b. Non-POTS traffic which would otherwise be subject to originating FGD charges will be rated and billed according to procedures which otherwise apply for the rating and billing of originating FGD traffic.

   c. Non-POTS traffic which would otherwise be subject to terminating FGD charges will be rated and billed according to the procedures which otherwise apply for the rating and billing of terminating FGD traffic, with the following modifications:

      (1) The initial written request for separated trunk groups to a specific switching entity shall include percentage of use factors for POTS traffic, intrastate non-POTS traffic, and interstate non-POTS traffic (the sum of which should equal 100%) the requesting (first) LEC expects to terminate over the separated trunk group.

      (2) The initial estimated percentages shall be employed by the second LEC to rate and bill all traffic terminated over the separated trunk group, beginning on the date on which non-POTS traffic is initially terminated over over such trunk group, up to and including the last day of the calendar quarter following the quarter in which such terminations were initiated.

(3) Beginning with the calendar quarter immediately following the calendar quarter in which termination of non-POTS traffic was initiated, the first LEC shall by the 45th day of each new calendar quarter provide to the second LEC the actual terminating traffic percentages from the immediately preceding calendar quarter shall be provided for application in the next following calendar quarter. The second LEC shall utilize these percentages in calculating the terminating traffic exchange charges, terminating intrastate FGD charges, and terminating interstate FGD charges due from the first LEC.

VII. SHARED NETWORK PLATFORM ARRANGEMENTS

A. Interconnection Between ELECs Co-Located in an ILEC Wire Center

1. Description

ILEC will enable any two ELECs to directly interconnect their respective networks, where both ELECs maintain co-location facilities at the same ILEC wire center, by effecting a cross-connection between those co-location facilities, as jointly directed by the two ELECs.

2. Compensation

For cross-connections between two ELEC co-location facilities in the same ILEC wire center, ILEC will charge each ELEC one-half the standard tariffed special access cross-connect rate.

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

1. Description

a. ELEC will interconnect to the ILEC 9-1-1/E-9-1-1 selective routers/911 tandems which serve the areas in which ELEC provides exchange services, for the provision of 9-1-1/E9-1-1 services and for access to all sub-tending Public Safety Answering Points ("PSAP"). ILEC will provide ELEC with the appropriate CLLI codes and specifications of the tandem serving area.

b. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, interconnection shall be made at the D-NIP.

c. ILEC and ELEC will arrange for the automated input and daily updating of 9-1-1/E-9-1-1 database information related to ELEC end users. ILEC will provide ELEC with the Master Street Address Guide (MSAG) so that ELEC can ensure the accuracy of the data transfer. Additionally, ILEC shall provide to ELEC the ten-digit POTS number for each PSAP that sub-tends each ILEC selective router/9-1-1 tandem to which ELEC is interconnected.

d. ILEC will use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of ELEC systems to the 9-1-1/E-9-1-1 platforms.

2. Compensation

No charges shall apply for the provision of 911/E911 services between ILECs and ELECs.

C. Information Services Billing and Collection

1. Description

a. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, ELEC shall deliver information services traffic originated over ELEC's Exchange Services to information services provided over ILEC's information services platform (*e.g.*, 976) over the reciprocal traffic exchange trunk groups interconnected at the D-NIP designated by the ILEC for receipt of such traffic.

b. ILEC will at ELEC's option provide a direct real-time electronic feed or a daily or monthly magnetic tape in a mutually-specified format, listing the appropriate billing listing and effective daily rate for each information service by telephone number.

c. To the extent ELEC determines to provide a competitive information services platform, ILEC will cooperate with ELEC to develop a LATA-wide NXX code(s) which ELEC

may use in conjunction with such platform. Additionally, ILEC shall route calls to such platform and ELEC will provide billing listing/daily rate information on terms reciprocal to those specified above.

2. Compensation

a. ELEC will bill and collect from its end users the specific end user calling rates ILEC bills its own end users for such services, unless ELEC obtains tariff approval from the Public Service Commission ("PSC") specifically permitting ELEC to charge its end users a rate different than the rate set forth in ILEC's tariff for such services.

b. ELEC will remit the full specified charges for such traffic each month to ILEC, less $0.05 per minute, and less uncollectibles.

c. In the event ELEC provides an information service platform, ILEC shall bill its end users and remit funds to ELEC on terms reciprocal to those specified above.

D. Directory Listings and Directory Distribution

1. Description

The directory listings and distribution terms and rate specified in this section shall apply to listings of ELEC customer numbers falling within NXX codes directly assigned to ELEC, and to listings of ELEC customer telephone numbers which are retained by ELEC pursuant to Local Telephone Number Portability Arrangements described below.

a. ILEC will include ELEC's customers' telephone numbers in its "White Pages" and "Yellow Pages" directory listings and directory assistance databases associated with the areas in which ELEC provides services to such customers, and will distribute such directories to such customers, in the identical and transparent manner in which it provides those functions for its own customers' telephone numbers.

b. ELEC will provide ILEC with its directory listings and daily updates to those listings in in an industry-accepted format; ILEC will provide ELEC a magnetic tape or computer disk containing the proper format.

c. ELEC and ILEC will accord ELEC' directory listing information the same level of confidentiality which ILEC accords its own directory listing information, and ILEC shall ensure that access to ELEC's customer proprietary confidential directory information will be limited solely to those ILEC employees who are directly involved in the preparation of listings.

2. Compensation

a. ILEC shall remit to ELEC a royalty payment for sales of any bulk directory lists to third parties, where such lists include ELEC customer listings.

b. Such royalty payments shall be in proportion to the number of ELEC listings to ILEC listings contained in the list purchased by the third party, less 10% which ILEC may retain as sales commission.

E. Directory Assistance (DA)

1. Description

At ELEC' request, ILEC will:

a. provide to ELEC operators or to an ELEC-designated operator bureau on-line access to ILEC's directory assistance database, where such access is identical to the type of access ILEC's own directory assistance operators utilize in order to provide directory assistance services to ILEC end users;

b. provide to ELEC unbranded directory assistance service ELEC which is comparable in every way to the directory assistance service ILEC makes available to its own end users;

c. provide to ELEC directory assistance service under ELEC's brand which is comparable in every way to the directory assistance service ILEC makes available to its own end users;

d. allow ELEC or an ELEC-designated operator bureau to license ILEC's directory assistance database for use in providing competitive directory assistance services; and/or

e. in conjunction with VII.E.1.b. or VII.E.1.c., above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service ILEC makes available to its own end users.

2. Compensation

ILEC will charge ELEC Long Run Incremental Cost (LRIC)--based rates for the following functionality:

a. $0.0__ per directory assistance database query.

b. $0.0_ per unbranded directory assistance call.

c. $0.0_ per branded directory assistance call.

d. $____ for licensing of each directory assistance database.

e. $0.0_ per use of caller-optional directory assistance call completion. (ILEC will provide calling and billing detail to ELEC in an acceptable format to ELEC for customer billing.

F. Yellow Page Maintenance

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

G. Transfer of Service Announcements

When an end user customer changes from ILEC to ELEC, or from ELEC to ILEC, and does not retain its original telephone number, the party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number. This announcement will provide details on the new number to be dialed to

reach this customer. These arrangements will be provided reciprocally, free of charge to either the other carrier or the end user customer.

H. Coordinated Repair Calls

ELEC and ILEC will employ the following procedures for handling misdirected repair calls:

1. ELEC and ILEC will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.

2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number. Extraneous communications beyond the direct referral to the correct repair telephone number are strictly prohibited.

3. ELEC and ILEC will provide their respective repair contact numbers to one another on a reciprocal basis.

I. Busy Line Verification and Interrupt

1. Description

Each LEC shall establish procedures whereby its operator bureau will coordinate with the operator bureaus of each other LEC operating in the LATA in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus shall be routed over the Reciprocal Traffic Exchange Trunk groups.

2. Compensation

Each LEC shall equally and reciprocally compensate each other LEC for BLV and BLVI inquiries according to the following LRIC-based rates:

	per inquiry
BLV	$0.__
BLVI	$0.__

J. Information Pages

ILEC will include in the "Information Pages" or comparable section of its White Pages Directories for areas served by ELEC, listings provided by ELEC for ELEC's installation, repair and customer service and other information. Such listings shall appear in the manner and likenesses as such information appears for subscribers of the ILEC and other LECs.

K. Operator Reference Database (ORDB)

ILEC will provide the ELEC with monthly updates of the ILEC's Operator Reference Database (ORDB) in electronic format at no charge to enable ELECs to promptly respond to emergency agencies (i.e. fire, police, etc) in an timely fashion when emergencies occur.

VIII. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS

A. Description

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

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

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

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

2. At ELEC' discretion, each link or port element shall be delivered to the ELEC co-location arrangement over an individual 2-wire hand-

off, in multiples of 24 over a digital DS-1 hand-off in any combination or order ELEC may specify, or through other technically feasible and economically comparable hand-off arrangements requested by ELEC (e.g., SONET STS-1 hand-off).

3. All transport-based features, functions, service attributes, grades-of-service, install, maintenance and repair intervals which apply to the bundled service should apply to unbundled links.

4. All switch-based features, functions, service attributes, grades-of-service, and install, maintenance and repair intervals which apply to the bundled service should apply to unbundled ports.

5. ILEC will permit any customer to convert its bundled service to an unbundled service and assign such service to ELEC, with no penalties, rollover, termination or conversion charges to ELEC or the customer.

6. ILEC will bill all unbundled facilities purchased by ELEC (either directly or by previous assignment by a customer) on a single consolidated statement per wire center.

7. Where ILEC utilizes digital loop carrier ("DLC")[6] technology to provision the link element of an bundled Exchange Service to an end user customer who subsequently determines to assign the link element to ELEC and receive Exchange Service from ELEC via such link, ILEC shall deliver such link to ELEC on an unintegrated basis, pursuant to ELEC' chosen hand-off architecture, without a degradation of end user service or feature availability.

8. ILEC will permit ELEC to co-locate remote switching modules and associated equipment in conjunction with co-location arrangements ELEC maintains at an ILEC wire center, for the purpose of interconnecting to unbundled link elements.

9. ILEC shall provide ELEC with an appropriate on-line electronic file transfer arrangement by which ELEC may place, verify and receive confirmation on orders for unbundled elements, and issue and track trouble-ticket and repair requests associated with unbundled elements.

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

B. Compensation

Prices for unbundled elements should be based on long run service incremental cost, should depart from cost in equal proportions, and should be imputed into the bundled service rates, such that the following pricing formulae are satisfied:

$$P_B/C_B = P_L/C_L = P_P/C_P = P_C/C_C$$

and

$$P_B = P_L + P_P + P_C$$

Where:

P_B	=	Price of the bundled service (including all applicable discounts).
C_B	=	Long-run service incremental cost ("LRSIC") of the bundled service.
P_L	=	Price of the unbundled link element.
C_L	=	LRSIC of the unbundled link element.
P_P	=	Price of the unbundled port element.
C_P	=	LRSIC of the unbundled port element.
P_C	=	Price of the unbundled cross-connect element.
C_C	=	LRSIC of the unbundled cross-connect element.

ILEC shall provide links and ports to ELEC at the following monthly recurring rates:

	Price, each when delivered over: an individual 2-wire hand-off	Price, each when delivered over: a digital DS-1 hand-off
2-wire analog voice grade link	$_____	$_____
2 wire ISDN digital grade link	$_____	$_____
4-wire DS-1 digital grade link	$ n/a	$ [7]

[7] To be provided as a Special Access or Private Line DS-1 Channel Termination/Local Distribution Channel, subject to the most favorable tariff or contract terms for which ELEC is eligible, except in those situations where:

-- The ILEC offers its own end user customers a bundled DS-1 digital grade Exchange Service at a bundled rate which is less than the sum of the unbundled 4-wire DS-1 digital DID trunk port rate and the most favorable Channel Termination/Local Distribution Channel rate for which ELEC is eligible. In such instances, the ILEC shall provide 4-wire DS-1 digital grade links to ELEC at a rate less than or equal to the price of the bundled DS-1 digital grade Exchange Service less the unbundled 4-wire DS-1 digital DID trunk port rate, for ELEC's use in the provision of DS-1 digital grade Exchange Services.

and/or

-- The ILEC offers its own end user customers a bundled DS-1 digital grade Exchange Service

(continued...)

2-wire analog line port	$_____	$_____
2-wire ISDN digital line port	$_____	$_____
2-wire analog DID trunk port	$_____	$_____
4-wire DS-1 digital DID trunk port	$ n/a	$_____
4-wire ISDN-PRI digital trunk port	$ n/a	$_____

C. Process for Requests for Further Essential Facilities

In the event that an ELEC identifies a new essential facility or function that would facilitate its provision of a competitive basic local exchange service offering, it shall submit a written request to the Commission and the appropriate ILEC for the provision of that essential facility or function. This request shall contain the name of the requesting entity, the date of the request, and the specific type of unbundling requested. The ILEC shall file a tariff providing the new essential facility or function service offering within 60 days, or within 30 days it should file a statement with the Commission indicating why it would not be technologically practicable to provide the component as a separate service offering. Any provider whose request for the provision of an essential facility or function is denied or not acted upon in a timely manner may file a complaint in accordance with current Commission rules.

IX. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS

A. Description

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

1. ELEC and ILEC will provide reciprocal LTNP immediately upon execution of this agreement via Interim Number Portability ("INP") measures. ILEC and ELEC will migrate from INP to a database-driven Permanent Number Portability ("PNP") arrangement as soon

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[7] (...continued)
with performance specifications (including, but not limited to, installation intervals, service intervals, service priority, bit-error rates, interruption/availability rates, quality or conditioning) superior to that provided for Special Access or Private Line Channel Terminations/Local Distribution Channels. In such instances, the ILEC shall provide the same or better performance characteristics to ELEC for all DS-1 digital grade links ELEC purchases for use in the provision of DS-1 digital grade Exchange Services.

as practically possible, without interruption of service to their respective customers.

2. INP shall operate as follows:

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

(1) For the portability of telephone numbers which are not part of a DID number block, Carrier A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Carrier B. Carrier A will route the forwarded traffic to Carrier B via the mutual traffic exchange arrangements, as if the call had originated from the original telephone number and terminated to the new telephone number.

(2) For the portability of telephone numbers which are part of a DID number block, Carrier A will provide Carrier B an aggregated, digital DS-1 or higher grade DID trunk group at each D-NIP (interface to be achieved in the same manner as the traffic exchange trunk groups at each D-NIP), such that all inbound traffic to ported DID numbers will be delivered to Carrier B over this digital DID trunk facility. In order for a customer to port its DID numbers from Carrier A to Carrier B, the customer will be required to assign entire 20-number DID blocks to Carrier B.

b. Carrier B will become the customer of record for the original Carrier A telephone numbers subject to the INP arrangements. Carrier A will provide Carrier B a single consolidated master billing statement for all collect, calling card, and 3rd-number billed calls associated with those numbers, with sub-account detail by retained number. At Carrier B's sole discretion, such billing statement shall be

delivered in real time via an agreed-upon electronic data transfer, or via daily or monthly magnetic tape.

c. Carrier A will update its Line Information Database ("LIDB") listings for retained numbers, and restrict or cancel calling cards associated with those forwarded numbers, as directed by Carrier B.

d. Within two (2) business days of receiving notification from the customer, Carrier B shall notify Carrier A of the customer's termination of service with Carrier B, and shall further notify Carrier A as to the Customer's instructions regarding its telephone number(s). Carrier A will cancel the INP arrangements for the customer's telephone number(s). If the Customer has chosen to retain its telephone number(s) for use in conjunction with Exchange Services provided by Carrier A or by another LEC which participates in INP arrangements with Carrier A, Carrier A will simultaneously transition the number(s) to the customer's preferred carrier.

3. Under either an INP or PNP arrangement, ELEC and ILEC will implement a process to coordinate LTNP cut-overs with Unbundled Link conversions (as described in Paragraph VIII., above). ELEC and ILEC pledge to use their best efforts to ensure that LTNP arrangements will not be utilized in instances where a customer changes locations and would otherwise be unable to retain its number without subscribing to foreign exchange service.

B. Compensation

1. ELEC and ILEC shall provide LTNP (either INP or PNP) arrangements to one another at no charge, except for authorized collect, calling card and 3rd-number billed calls billed to the retained numbers. However, for all traffic forwarded between ELEC and ILEC in the manner described above, reciprocal compensation charges (pursuant to paragraph VI., above) and Switched Access charges (pursuant to each carrier's respective access tariffs), for POTS traffic and non-POTS traffic, respectively, shall be passed through as if the caller had directly dialed the new telephone number.

2. In INP arrangements, in order to effect this pass-through of reciprocal compensation and Switched Access charges to which each carrier would otherwise have been entitled if the ported

traffic had been directly dialed to the new number, each carrier will be required to classify and include ported traffic in its quarterly percentage of use reports as POTS, intrastate non-POTS, or interstate non-POTS.

X. RESPONSIBILITIES OF THE PARTIES

A. ILEC and ELEC agree to treat each other fairly, non-discriminatorily, and equally for all items included in this agreement, or related to the support of items included in this agreement.

B. ELEC and ILEC will work cooperatively to minimize fraud associated with 3rd-number billed calls, calling card calls, or any other services related to this agreement.

C. ELEC and ILEC agree to promptly exchange all necessary records for the proper billing of all traffic.

D. For network expansion, ELEC and ILEC will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by engineering requirements for both ILEC and ELEC. ILEC and ELEC are required to provide each other the proper call information (e.g., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill in a complete and timely fashion.

E. There will be no re-arrangement, reconfiguration, disconnect, or other non-recurring fees associated with the initial reconfiguration of each carrier's traffic exchange arrangements upon execution of this agreement, other than the cost of establishing a new co-location arrangement where one does not already exist.

F. ILEC shall assess no cross-connect fee on ELEC where ELEC establishes a meet-point billing connection, a D-NIP interconnection, or accesses a 911 or E911 port through a co-location arrangement at a ILEC wire center.

XI. TERM

ELEC and ILEC agree to provide service to each other on the terms defined in this agreement until superseded by another agreement or until standard arrangements are approved by the Public Service Commission, whichever occurs first. By mutual agreement, ELEC and ILEC may amend this agreement to extend the term of this agreement. Also by mutual agreement, ILEC and ELEC may jointly petition the appropriate regulatory bodies for permission to have

this agreement supersede any future standardized agreements or rules such regulators might adopt or approve.

XII. INSTALLATION

ILEC and ELEC shall effectuate all the terms of this agreement by within 90 days upon execution of this agreement.

XIII. NETWORK MAINTENANCE AND MANAGEMENT

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

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

XIV. OPTION TO ELECT OTHER TERMS

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

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

Neither ELEC nor ILEC shall impose cancellation charges upon each other.

XVI. FORCE MAJEURE

[to be inserted]

XVII. LIMITATION OF LIABILITY

[to be inserted]

* * * * * * * * * * * * * * * * *

Each of the signatories below agree to abide by the terms of this stipulation and agreement.

GTE of Florida Date

Metropolitan Fiber Systems of Florida, Inc. Date

GTE

FACSIMILE TRANSMITTAL COVER SHEET

REGULATORY AND INDUSTRY AFFAIRS (FL)

DATE: December 7, 1995

TO: Tim Devine

LOCATION:

TEL. NO.: 770-399-8378

FAX. NO.: 770-399-8398

FROM: Beverly Y. Menard

LOCATION: Tampa, FL -- MC FLTC0616

TEL. NO.: 813/224-4825

FAX.: 813/223-4888

MESSAGE: Per our conversation

Bev

NUMBER OF PAGES INCLUDING THIS PAGE: 3

Updated Local Interconnection Rates

End Office Switching	0.0089000
Tandem Switching	0.0007500
Tandem Switched Termination	0.0002688
Tandem Sw. Transport Facility	
Zone 1	0.0000135
Zone 2	0.0000141
Zone 3	0.0000149
Total Tandem Switching (1 Mile)	
Zone 1	0.0010323
Zone 2	0.0010329
Zone 3	0.0010337
Total Interconection (1 Mile)	
Zone 1	0.0099323
Zone 2	0.0099329
Zone 3	0.0099337
Total Tandem Switching (60 Miles)	
Zone 1	0.0018288
Zone 2	0.0018648
Zone 3	0.0019128
Total Interconection (60 Miles)	
Zone 1	0.0107288
Zone 2	0.0107648
Zone 3	0.0108128

END

Local Interconnection Rates

End Office Switching	0.0089000
Tandem Switching	0.0009512
Tandem Switched Termination	0.0003584
Tandem Sw. Transport Facility	
Zone 1	0.0000155
Zone 2	0.0000163
Zone 3	0.0000172
Total Tandem Switching (1 Mile)	
Zone 1	0.0013251
Zone 2	0.0013259
Zone 3	0.0013268
Total Interconection (1 Mile)	
Zone 1	0.0102251
Zone 2	0.0102259
Zone 3	0.0102268
Total Tandem Switching (60 Miles)	
Zone 1	0.0022396
Zone 2	0.0022876
Zone 3	0.0023416
Total Interconection (60 Miles)	
Zone 1	0.0111396
Zone 2	0.0111876
Zone 3	0.0112416

MFS™
Communications Company, Inc.

INFORUM, SUITE 2200
250 WILLIAMS STREET
ATLANTA, GEORGIA 30303-1034
TEL. (404) 224-6000
FAX (404) 224-6060

January 3, 1996

Mr. Mike Marczyk
Senior Account Manager
GTE Telephone Operations
One Tampa City Center
Post Office Box 110 MC FLTC0009
Tampa, Florida 33601-0110

Via Facsimile & Overnite Mail
@813 228 5326

Dear Mike:

On July 19, 1995 MFS initiated Interconnection and Unbundling negotiations with GTE Florida (GTE) by detailing MFS' request in a letter to your attention, subsequently on November 9, 1995, MFS further defined its request to GTE when I sent a 30 page proposed agreement to your attention. In my November 9 letter I specifically requested that GTE respond to MFS' proposed agreement in writing by November 22.

In addition, while we have had a couple of conference calls, the only formal correspondence that MFS has received from GTE was a three page facsimile from Ms. Beverly Menard December 7, 1995 listing GTE's switched access-based local interconnection rates. I appreciate your position on local interconnection rates but switched access is neither currently used between local exchange carriers in Florida for the exchange of traffic nor is an appropriate structure to be used between incumbent and new entrant local exchange carriers for the exchange of traffic in Florida.

Therefore, since GTE has not provided MFS with a comprehensive detailed written response to MFS' request for Interconnection and Unbundling and we disagree over the key issue of compensation for the exchange of traffic, I am planning to file a petition against GTE for Interconnection and Unbundling with the Florida Public Service Commission (PSC) as early as next week.

Even though I am planning to initiate a petition at the PSC next week, I would like GTE to become more forthright with MFS in an attempt to reach agreement on our request and thus avoid litigation before the PSC.

Please contact me immediately at my new office location listed below so we may discuss this issue in more detail.

Thank you in advance for your attention to this matter.

Sincerely,

Timothy T. Devine

Tim Devine New Contact Information:

Timothy T. Devine
Senior Director, External & Regulatory Affairs
MFS Communications Company, Inc.
Six Concourse Parkway, Suite 2100
Atlanta, Georgia 30328-5351

Voice: 770 399 8378
Fax: 770 399 8398
Pager: 800 306 1459

GTE Telephone Operations
Florida Operation

One Tampa City Center
201 N. Franklin Street
P.O. Box 110 FLTC0009
Tampa, FL 33601-0110

January 19, 1996

Mr. Timothy T. Devine
Senior Director, External & Regulatory Affairs
Southern Region
MFS Communications Company, Inc.
Six Concourse Parkway, Suite 2100
Atlanta, GA 30328-5351

Dear Tim:

The purpose of this letter is to provide you with GTE Florida's written response to the terms and conditions of interconnection which have been proposed by MFS. As you know, MFS and GTE have discussed the companies' respective positions in several conference calls during the last few months of negotiations. However, in your letter of January 3, 1996, you requested a written response to each issue previously raised by MFS. Pursuant to that request, GTE Florida is responding in writing, as set forth in the Attachment to this letter.

After you review the responses, I would like to establish a conference call so we can discuss these items further. Except for some of the language which says that everything is at your option, I feel we are very close to agreement on many of the issues raised in the document. However, there are some items we need to discuss further so we can determine if we are in agreement or not and whether GTE Florida's responses need to be modified.

This response is strictly limited to GTE Florida. Due to the network arrangements in Florida and language contained in Chapter 364, these responses are not intended to serve as precedents for other states where MFS wishes to interconnect with GTE.

Sincerely,

Michael A. Maroszyk
Senior Account Manager - Carrier Markets

Attachment

c: B. Menard
G. Adair
A. Gillman

I. Recital & Principles

The provisions in this section are unnecessary and were not all contained in the PacBell agreement. GTEFL wants this section replaced with general recitals more consistent with Chapter 364.

II. Definitions

GTEFL suggests that the definitions conform to Chapter 364 in Florida. As such, ELEC should be changed to ALEC, Alternative Local Exchange Carrier (item M). In addition, POTS (item II) definition does not include intraLATA toll traffic in Florida.

III. Default Network Interconnection Architecture

A. In GTE Florida's network, there is only one access tandem with all GTEFL end offices subtending the access tandem. There are no other LECs subtending the GTEFL access tandem. MFS is currently colocated at Tampa Main which is the location for the access tandem. Therefore, it would appear that the D-NIP will be the access tandem.

B. GTEFL supports the language that interconnection points must be mutually agreed upon between the two parties. GTEFL cannot agree that the options should be strictly at the ELEC's option.

C. GTEFL does not lease dark fiber facilities. Since MFS is already colocated at Tampa Main, it would appear that most of the language in sections A, B and C should be modified to reflect the actual arrangement in place.

D. GTEFL will charge for cross-connection charges in conformance with the colocation tariffs.

E. Depending on the type of conversion required, GTEFL cannot universally waive all penalty, conversion or rollover charges.

IV. Number Resource Arrangements

These positions are consistent with GTEFL's position in previous negotiation meetings.

V. Meet-Point Billing Arrangements

A. Description

1. GTEFL assumes this section applies for IXC access. If so, the meet point billing arrangements must be mutually agreed between the LECs. Moreover, such arrangements are not at the sole discretion of the LECs; they also involve the IXC who is the customer who orders access.

2. Since MFS is colocated at the access tandem (D-NIP), GTEFL has no problems with permitting MFS to subtend the access tandem and assume this will be the meet-point arrangement utilized.

5. Since GTEFL currently has no other LECs in the LATA, GTEFL has not worked with NECA No. 4 for meet-point billing arrangements. However, GTEFL will use its best efforts to work with MFS on this issue.

7. GTEFL does not know what MFS means relative to the calendar month billing period. GTEFL issues bills on a monthly basis to IXCs; however, the date is not necessarily for a calendar month as GTEFL has 10 billing cycles in a month. There could be a charge for usage data.

B. Compensation

1. The compensation arrangements cannot be strictly at the ELEC's option. GTEFL does not know what the multiple-bill/single-tariff method is.

3. GTEFL does not understand why MFS will have an interconnection charge. It is our understanding that the interconnection charge was established as a residual revenue requirement associated with tandem switching. However, since GTEFL has not seen MFS' proposed access rates, GTEFL is not sure what rate elements MFS intends to apply.

4. GTEFL supports the industry guidelines and will not vary from the industry guidelines. As such, per MECOB guidelines, with the single bill option, the end office company bills the IXCs. If MFS subtends the access tandem, they will be responsible for the billing.

VI. Reciprocal Traffic Exchange Arrangement

A. Description

1. GTEFL prefers two way trunks as we believe this is more efficient; however, if MFS wants one-way trunks, we are willing to accommodate this.

7. For CCS interconnections, it may not be the most efficient arrangement for all interconnections to be made at the D-NIP (have 2 STPs in the LATA).

B. Compensation

1. As GTEFL understands MFS' definition, POTS calls includes both local and intrastate toll traffic. GTEFL believes that intrastate switched access charges must apply for any intrastate toll traffic or this will be discriminatory with the treatment for IXCs. In addition, GTEFL is proposing to use the same access rates (excluding the interconnection charge and carrier common line) for local POTS traffic. The interconnections for

Common Channel Signalling will be furnished in accordance with the FCC GTOC Access Tariff.

2. If GTEFL's access tandem is used for traffic transiting the tandem, GTEFL will charge tandem switching in accordance with its access tariffs. In addition, GTEFL supports the use of an additional rate element to compensate for ALEC to ALEC traffic transiting GTEFL's access tandem.

VII. Shared Network Platform Arrangements

A. Interconnection Between ELECs Co-Located in an ILEC Wire Center

1. The current colocation tariffs state that all facilities must terminate in Telephone Company equipment and no connections will be made between the partitioned space of colocated customers within the central office or access tandem. GTEFL will not permit cross connection to other colocated entities.

B. 911/E911

c. The Master Street Address Guide is not the property of GTEFL but is actually provided by the counties. GTEFL is willing to make available to MFS the same arrangement that is currently utilized with United which will allow for the verification of MFS' data against the MSAG. Separate trunk groups to the 911 tandem are required.

C. Information Services Billing and Collection

1. GTEFL cannot agree to this arrangement being at the ELEC's option. The 976 tariff which GTEFL has in place does not reflect the type offering which will allow this type arrangement. It will be up to MFS whether they choose to have a 976 type arrangement or not.

D. Directory Listings and Directory Distribution

1. GTE Telephone Operations has developed a separate contact for this service and it will serve as the basis for negotiations. GTEFL agrees to include MFS' customers in the white page and yellow page directory listings and directory assistance databases. In addition, GTEFL agrees that the initial distribution of directories when they are published will be provided to MFS customers in the same manner as GTEFL customers (MFS will be required to provide the appropriate information to the Directory company for this to occur).

2. GTE will not sell MFS listings to third parties unless authorized by MFS. GTE will not function as a sales agent. MFS will establish their own listing price. GTE will be compensated for all administrative functions associated with the furnishing of listings to third parties.

E. Directory Assistance (DA)

GTEFL agrees to charge for directory assistance calls using GTEFL's access tariffs which represent GTEFL's LRIC-based rates. The rates are $.25 for intrastate calls and $.28 for interstate calls. GTEFL does not currently have tariffed, and currently has no plans to tariff, licensing of the directory assistance database or a process where other parties have access to GTEFL's database for a database query service. Since GTEFL currently has no other LECs in the LATA, GTEFL has not tariffed an offering for LECs to use directory assistance call completion service. However, GTEFL is willing to pursue this further with MFS if MFS desires this service. In Florida, carriers are required to install separate trunk groups to the directory assistance switch.

F. Yellow Page Maintenance

GTEFL cannot agree to a commission program being implemented at the ELEC's sole discretion. GTEFL does not currently act as a sales agent for Yellow Pages advertisements.

G. Transfer of Service Announcements

Under the current FPSC rules for intercept, this is the type recording a customer would currently receive from GTEFL if they change numbers. Assuming the proper process is in place to insure the records get updated correctly, this should not be a problem.

H. Coordinated Repair Calls

GTEFL is still working on their position on this issue. Since GTEFL utilizes an 800 number for repair calls, we would expect that the misdirected calls should be minimal. GTEFL does not use 611 service for repair.

I. Busy Line Verification and Interrupt

GTEFL is willing to pursue this type arrangement; however, it may require different trunk groups to provide this service. GTEFL proposes that the rates charged will be the same rates currently charged to IXCs which are LRIC-based rates. The rates are $.65 for inward operator assistance service and apply on a per call basis. Each call may include any combination of functions for the same telephone number.

J. Information Pages

This subject is covered by the directory contact discussed above. GTEFL agrees that the Directory Company will include critical information in the front of the directory which MFS requests. It will be the Directory Company's responsibility to determine the placement of the information.

K. Operator Reference Database (ORDB)

Since GTEFL has E911 in all counties in its territory, GTEFL has no such database as emergency calls are routed to 911.

VIII. Unbundled Exchange Service Arrangements

A. 2. GTEFL cannot agree that it is at the ALEC's discretion on hand-offs. GTEFL's current practices for exchange service is to hand-off at a 2-wire level. However, GTEFL is willing to consider other tariffed arrangements.

5. GTEFL cannot agree to waive all penalties for conversion of service.

6. At this point, the billing procedures have not been developed, but it doubtful that wire center billing can be accomplished easily.

7. For digital loop carrier, GTEFL plans to use standard arrangements but require additional explanation on what MFS desires.

8. Colocation of equipment will be done in conformance with the colocation tariffs which do not allow colocation of remote switching modules.

9. An electronic system is not in place today and further discussion will have to occur on this request.

B. GTEFL's prices are based on tariffed rates. Since some of the services requested are not currently tariffed, the development of prices has not been completed. Further discussion is also required on the differences between a 2-wire and DS-1 hand-off. The tariffed prices for the services requested by MFS are as follows:

	Price, each when delivered over: an individual 2-wire hand-off	a digital DS-1 hand-off
2-wire analog voice grade link	23.00	———
2-wire ISDN digital grade link	23.00(1)	———
4-wire DS-1 digital grade link	n/a	———
2-wire analog line port	TBD(2)	———
2-wire ISDN digital line port	20.00(2)	———
2-wire analog DID trunk port	TBD(2)	
4-wire DS-1 digital DID trunk port	n/a	350.00(2)(3)
4-wire ISDN-PRI digital trunk port	n/a	350.00(2)

Note 1: Additional conditioning, signaling arrangements or items such as B-voice/CSD may be applicable

Note 2: Including usage (GTEFL would be charging same usage rates used for STS service)

Note 3: The applicable rates and charges for the DID accessible service are as specified in Section A13 of the tariff. The appropriate charges are the NAR as specified in Section A3 for voice only, or monthly usage rates for voice and data.

C. GTEFL recommends following the approach outlined in Chapter 364; i.e., the parties will first negotiate, and if the parties are unable to reach satisfactory resolution, then either party may go to the Commission.

IX. Local Telephone Number Portability Arrangements

GTEFL believes this section must be updated to be consistent with decisions that have already been reflected in Florida Public Service Commission orders. GTEFL does not currently have available a digital DID offering. If MFS wants this type arrangement, we will need to discuss the technical parameters for this service so that GTEFL can determine whether the service can be offered and the price for the service (since to have no charge would be in violation of Chapter 364). GTEFL currently has no way to identify the access charges associated with remote call forwarded calls as they appear as two calls in GTEFL's systems and there is currently no billing and/or other mechanism in place to develop this data. GTEFL plans to compensate MFS for all local terminated calls using the same type arrangement which GTEFL uses to charge MFS for local calls and these type calls will look like local calls. GTEFL is willing to pursue development of a mutually agreeable surrogate to accommodate the differential between access charges and local compensation for ported calls as GTEFL cannot support making massive modifications to their billing system at this time to try to identify these type calls.

X. Responsibilities of the Parties

GTEFL agrees in principle with sections A-D. GTEFL does not agree with Sections E and F.

XI. Term

GTEFL agrees with MFS' position.

XII. Installation

GTEFL agrees with MFS' position.

XIII. Network Maintenance and Management

GTEFL agrees with MFS' position.

XIV. Option to Elect Other Terms

At this time, GTEFL is not in a position to address this section with MFS. We will undertake efforts to develop a position on this issue and submit a response to MFS.

END

XV. Cancellation, Conversion, Non-Recurring or Roll-Over Charges

GTEFL cannot agree to unilaterally waive all charges. This must be determined on a case by case basis.

XVI. Force Majeure

GTEFL awaits your terms and conditions before formulating a response.

XVII. Limitation of Liability

GTEFL awaits your terms and conditions before formulating a response.

MFS™
Communications Company, Inc.

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January 22, 1996

Mr. Michael Marczyk
Sr. Account Manager
GTE Telephone Operations
One Tampa City Center
Tampa, Florida 33601-0110

Via Facsimile & Overnite Mail
@813 228 5326

Dear Mike:

Thank you for providing me your facsimile I received Friday January 19 in response to MFS' proposed Co-carrier Agreement dated November 8, 1995.

After a detailed review of the your response it is apparent that we significantly disagree regarding several issues. Specifically, and most importantly, while MFS has proposed bill and keep, in-kind compensation, GTE has proposed an unequal rate of compensation based upon a Switched Access per minute of use scheme. While MFS could possibly entertain a per minute of use (MOU) rate after an initial 18 month period of bill and keep, any per MOU rate must be based upon long run incremental costs (LRIC).

In addition, there are other areas of disagreement, including, meet-point billing compensation (Residual Interconnection Charge (RIC) item), switched access compensation for interim number portability calls, cross-connection between two local service providers at a GTE serving wire center, and some other Shared Platform (unbundled) arrangements.

Also, GTE's proposed rates for unbundled dial-tone loops are in excess of LRIC as proposed by MFS.

Therefore, MFS will immediately be filing a petition at the Florida Public Service Commission exercising our right to ask for the Commission's intervention. Although, in an attempt to avoid hearings in March, MFS would like to continue to attempt to reach agreement on all or any issues in an effort to avoid unnecessary litigation. Indeed, it appears that we are in agreement on several other issues and most certainly should work diligently to stipulate on all items we are able to.

Please contact me at 770 399 8378 if you have any questions and to schedule a meeting date. I am available any day the week of January 22, in either Atlanta or Tampa to continue our discussions.

Sincerely,

Timothy T. Devine