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May 19, 2004

HAND DELIVERY

Ms. Blanca Bayó, Director Commission Clerk and Administrative Services Room 110, Easley Building Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

Re: Docket No. 040156-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of MCImetro Access Transmission Services, LLC, MCI WORLDCOM Communications, Inc., Metropolitan Fiber Systems of Florida, Inc., and Intermedia Communications Inc., (collectively, "MCI"), are an original and fifteen copies of MCI's Response in Partial Opposition to Verizon's Motion to Hold Proceeding in Abeyance Until June 15, 2004 in the above referenced docket.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me in the enclosed self-addressed stamped envelope.

Thank you for your assistance with this filing.

Sincerely yours,

Floyd R. Self

FRS/amb Enclosures

cc: P

Parties of Record

DOCUMENT NUMBER-DATE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for Arbitration of Amendment to)	
Interconnection Agreements with Certain)	Docket No. 040156-TP
Competitive Local Exchange Carriers and)	
Commercial Mobile Radio Service Providers in)	Filed: May 19, 2004
Florida by Verizon Florida Inc.)	•
)	

MCI's RESPONSE IN PARTIAL OPPOSITION TO VERIZON'S MOTION TO HOLD PROCEEDING IN ABEYANCE UNTIL JUNE 15, 2004

On February 20, 2004, Verizon Florida, Inc. ("Verizon") filed a petition with the Florida Public Service Commission ("Commission") seeking arbitration of unresolved issues associated with Verizon's proposal to amend its interconnection agreement with MCI and other CLECs and CMRS providers in Florida, to implement changes in law resulting from the FCC's *Triennial Review Order* ("*TRO*"). Portions of the new FCC rules adopted in the *TRO* were vacated on March 2, 2004 by the U.S. Court of Appeals for the D.C. Circuit in *United States Telecom Ass'n v. FCC*, 359 F.3d 554 (D.C. Cir. 2004) ("*USTA II*"). Verizon now seeks to put this arbitration "on hold" while negotiations between Verizon and CLECs with respect to the vacated and remanded portions of the *TRO* take place. These negotiations were requested by the FCC and have been facilitated by the extension of the D.C. Circuit's issuance of the Court's mandate in *USTA II* until June 15, 2004.

MCI opposes Verizon's request with respect to issues that are ripe for arbitration. First, as Verizon has acknowledged, several changes of law are ripe for arbitration, notwithstanding the *USTA II* decision. These changes should be incorporated into CLEC interconnection agreements as expeditiously as possible. The *USTA II* Court's remand of some of the *TRO* rules back to the FCC and the attempt by the industry to resolve these issues in commercial negotiations does not alter the fact that other *TRO* provisions create obligations and confer rights

that must and should be implemented without regard to the uncertain status of other portions of the *TRO*. For example, issues relating to the conversion of services to UNEs and the commingling of access and UNE traffic are not affected by the ongoing commercial negotiations. Yet, under Verizon's proposal, MCI and other CLECs will be denied the benefits of those new FCC rules until later than they otherwise would obtain them, on account of the extension of the *USTA II* mandate and negotiations over the future pricing of unbundled local switching for mass market customers.

As noted above, MCI's opposition to Verizon's motion pertains only to those TRO issues that are <u>not</u> affected by the *USTA II* decision, and that can be immediately incorporated into amendments to existing interconnection agreements. With respect to those TRO issues that are affected by the *USTA II* decision, including the availability of switching (UNE-P) and transport as UNEs, MCI urges the Commission, at a minimum, to order Verizon to continue to honor all of its obligations surrounding those issues in its existing interconnection agreements until all issues affecting Verizon's obligations are addressed and resolved in this global arbitration.

Stated differently, the Commission should order Verizon to continue to provide switching and transport as UNEs, under existing rates, terms and conditions, until all issues surrounding Verizon's obligations are resolved by the Commission in this global arbitration.

By filing this global TRO arbitration, Verizon acknowledges that its obligations to provide unbundled local switching (including UNE-P), transport and other UNEs at rates consistent with Section 252(d) of the Telecommunications Act are governed by its interconnection agreements with CLECs. Verizon further acknowledges by its arbitration filing

¹ To the extent that Verizon argues that hi-capacity loop rules are vacated by *USTA II*, any changes to such rules would need to be addressed via the interconnection agreements' change of law provisions and dealt with in this proceeding.

that its obligations in CLEC interconnection agreements continue unless and until those interconnection agreements are amended pursuant to the change of law provisions. Thus, should the *USTA II* decision become effective on June 15 or some other date, it is clear that this global arbitration is the appropriate proceeding to resolve all issues surrounding the impact of that decision on Verizon's obligations to provide UNEs including switching and transport under existing interconnection agreements. Until all of those issues are resolved by the Commission, Verizon should be ordered to continue to provide cost-based UNEs including switching and transport until further order of the Commission.

Moreover, even if *USTA II* takes effect on June 15 and the TRO no longer obligates

Verizon to provide cost-based UNE switching and UNE-P to competitors, there would still be no flash cut to a regime in which Verizon has no obligation to provide switching or transport as

UNEs. That is so because there are independent sources of authority -- such as interconnection agreements, merger commitments and state law -- by which Verizon would still be required to provide cost-based switching and transport.

Verizon suggests that the delay in this proceeding is warranted to allow the parties to conserve resources and to avoid "the distraction of simultaneous litigation." These justifications for delay are disingenuous. First, Verizon has to date declined to participate in open, mediated negotiations with MCI and other CLECs, so it is hard to fathom how Verizon is unable to find the resources needed to conduct this arbitration. Second, simultaneous litigation has been the rule, not the exception, since passage of the Telecommunications Act of 1996, with countless cost cases, arbitrations, section 271 proceedings, performance measures dockets, and other cases, proceeding concurrently across multiple jurisdictions. MCI is prepared to move forward without delay and there is no reason that Verizon should not also be prepared to do so.

MCI will withdraw its partial opposition to Verizon's motion if Verizon agrees to negotiate separately and file for approval interconnection agreement amendments that give immediate effect to the conversion and commingling provisions of the proposed TRO Amendment. In the alternative, MCI will withdraw its opposition to Verizon's motion if Verizon agrees to begin charging MCI UNE loop rates for special access circuits that are currently combined with special access multiplexers as well as future orders for such arrangements. MCI requests that, if Verizon does not agree to either of these alternatives,, the Commission proceed with the issues that are ripe for arbitration without delay, and establish procedural dates, such as an issue identification meeting for mid-June, so that time is used efficiently to reach resolution of these important, pending matters.

In summary, the Commission should deny Verizon's motion to hold this proceeding in abeyance with respect to issues that are not affected by *USTA II* and are ripe for arbitration. In addition, the Commission should exercise authority in this proceeding to require Verizon to continue to provide unbundled local switching and transport at existing rates, terms and conditions, as set forth in CLEC interconnection agreements. The Commission should not permit the potential vacatur of portions of the TRO to negate the ability of Florida consumers to have an effective choice of local service providers.

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Attorneys for MCImetro Access Transmission Services, LLC, MCI WORLDCOM Communications, Inc., Metropolitan Fiber Systems of Florida, Inc., and Intermedia Communications Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery (*) and/or U.S. Mail on this 19th day of May, 2004.

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