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March 3, 2006

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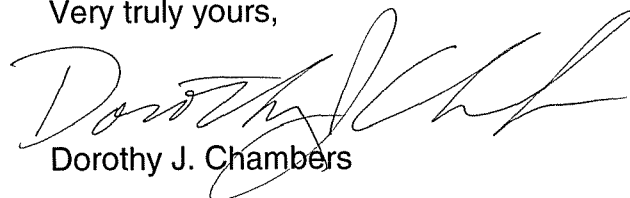
Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

Re: Petition of MCImetro Access Transmission Services, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996  
PSC 2005-00371

Dear Ms. O'Donnell:

Pursuant to the Commission's procedural Order issued in this case on February 1, 2006, enclosed are the original and ten (10) copies of the Revised Issues Matrix.

Very truly yours,

  
Dorothy J. Chambers

Enclosure

cc: Parties of Record

624444

**BST – MCI ARBITRATION  
ISSUES/OPEN ITEMS MATRIX**

ISSUE No.	ICA §	UNRESOLVED ISSUE	MCI POSITION	BST POSITION
<b>GT&amp;Cs (MAIN)</b>				
<b>NETWORK ELEMENTS (ATTACHMENT 2)</b>				
12	A2-7.4.2.2	Should MCI be required to indemnify BST for BST's negligence for claims by third parties who are not MCI customers in conjunction with BST's provision of PBX Locate Service to MCI?	No. MCI should not be required to provide such indemnification because it has no contractual relationship with such third parties and thus has no way to limit its liability.	Yes. BellSouth is not requiring any more restrictions or obligations to MCI than BellSouth requires or obligates its own retail customers for retail equivalent service. BST does not have a Section 251 obligation to provide PBX Locate service. BST voluntarily makes available to MCI its PBX Locate Service, which is identical to BST's retail product, Pinpoint. The Pinpoint product allows BST's retail customers to identify to emergency personnel the station locale of an incoming 911 call in a campus/hotel/hospital environment. Because this is a retail offering that BST provides to its wholesale customers through PBX Locate, MCI may purchase the product but only at the same terms and conditions that apply to BST's retail customers, which includes the indemnification language proposed by BST.
<b>INTERCONNECTION (ATTACHMENT 3)</b>				
15	A3 - 4.10,	Should the parties pay each	Each party should pay the cost of two-	The parties should initially split the

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	Pricing Attachment	other for two-way interconnection facilities based on their proportionate share of originated traffic or on a 50-50 basis?	way interconnection facilities on its side of the Point of Interconnection.	costs of two-way interconnection trunk facilities on a 50-50 basis and then manually true-up the billings based on actual usage on a recurring six-month basis.
17	A3 -7.1	C) Should local traffic include optional extended calling plans as set forth in the originating party's tariff, or only non-optional extended calling plans (such as EAS)?	C) No. Optional extended calling plans provide flat-rated toll service, so such calls should not be considered local. Only calls under non-optional extended calling plans should be considered local.	C) Yes. Optional extended calling plans, like Area Plus, should be included in local traffic.
21	A3 -7.5.4	What rates is MCI entitled to charge BST, and what records is BST required to provide MCI, for intraLATA toll traffic originated by an ICO, carried over BST's network and then terminated by MCI, when (i) the ICO is on a Primary Carrier Plan; or (ii) BST notifies MCI that the ICO is not on a Primary Carrier Plan?	When an ICO is on a Primary Carrier Plan, MCI is entitled to bill BST the terminating access rates from its intrastate tariff, and BST should be required to send appropriate billing records if MCI is not able to bill for such traffic using its own switch records. When an ICO is not on a Primary Carrier Plan, BST should provide MCI with tandem billing records for such traffic that would enable MCI to bill the ICO for MCI's portion of the access services provided.	MCI should bill BST pursuant to EMI 110101 records and BST's primary carrier plan ICO ratios at the rates set forth in MCI's intrastate tariffs. Using MCI records could result in MCI billing BST switched access when BST is not the toll provider or when such traffic is local in nature. In no event should MCI bill BST access charges when BST does not receive toll revenue from an ICO's end user in transiting a call from an ICO to MCI pursuant to a PCP arrangement. BST will provide a new list of PCP ICOs any time an ICO adopts an alternative to the PCP.
22	A3 - 7.1,	A) Should virtual NXX	A & B) Inter-carrier	A) The physical end points of a call are

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	7.5.4, 7.5.5	<p>services offered by MCI to its customers be treated as local traffic or switched access traffic for intercarrier compensation purposes?</p> <p>B) If they should be treated as switched access traffic, how will such traffic be identified for purposes of the separate treatment?</p>	<p>compensation issues, including compensation for VNXX services, are currently before the FCC. It is, therefore, critical for the arbitrated agreement to include language ensuring rapid implementation of the FCC's decision once it is adopted. In the interim, MCI will not challenge any established state policy of applying reciprocal compensation (or transitional compensation) to VNXX traffic. Where there is no such established policy, until the FCC rules, MCI asks the Commission to implement the same kind of compensation approach major ILECs and CLECs have themselves agreed upon in the absence of regulatory intervention. Under this approach, a single, commercially reasonable rate would apply to both local and ISP-bound traffic, including VNXX ISP-bound traffic. This market-based, compromise solution avoids having to choose between the polar-opposite positions ILECs and CLECs have usually taken in litigated VNXX disputes.</p>	<p>the appropriate mechanism for determining jurisdiction. InterLATA virtual NXX services should be treated as access for purposes of intercarrier compensation if the end points of the call dictate such treatment.</p> <p>B) MCI should reflect the appropriate jurisdiction of its traffic, inclusive of VNXX traffic through its reported jurisdictional factors. MCI should be required to retain sufficient records to validate such reported factors, including justification of the physical end points of any VNXX traffic.</p>

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26	A3 -7.10.2, pricing attachment	Is BST obligated to act as a transit carrier? If so, what is the appropriate transit rate?	BST is obligated to act as a transit carrier because the parties have agreed to language requiring it to perform that function. The parties have attempted to negotiate a transit rate, but have been unable to agree, so determination of a rate by the Commission is required. Because BST has not justified the transit rate it proposes to charge, the existing rate should remain in place.	No. BST is willing to provide the transit service pursuant to a market-based rate. BST has no section 251(c)(2) duty to provide transit service and thus MCI should pay BST a non-TELRIC rate for this transit service. Moreover, this issue is not appropriate for arbitration in this proceeding because it involves a request by the CLECs that is not encompassed within BST's obligations pursuant to Section 251 of the Act.
<b>BILLING (ATTACHMENT 7)</b>				
32	A7 -1.14.1	What charges, if any, should be imposed for records changes made by the Parties to reflect changes in corporate names or other LEC identifiers such as OCN, CC, CIC and ACNA?	Despite BST's stated position that arbitration of this issue is not appropriate, BST itself raised the issue, but without proposing any specific charges. There is, therefore, nothing of substance to litigate and this issue should be dismissed. If it is not dismissed, the Commission should reject any open-ended BST language giving BST the discretion to charge anything it likes for records changes. Moreover, the U.S. Bankruptcy Court, in its order approving WorldCom's Reorganization Plan, prohibited any fees or charges in connection with the consolidation of MCI subsidiaries	This issue is not appropriate for arbitration in this proceeding because it involves a request by MCI that is not encompassed within BST's obligations pursuant to § 251 of the Act. A CLEC's decision to consolidate billings or to merge with another entity has nothing to do with BST's 251 obligations. In any event, BST has implemented a Merger and Acquisition process that provides for the orderly process of records changes associated with merger and acquisition activity as well as reasonable rates. Requests of this type are initiated based on a business decision made by MCI; consequently, the associated

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			<p>ordered in the Plan. Therefore, the charges BST proposes would not, in any event, apply to ongoing name or code changes arising from implementation of these transactions.</p>	<p>charges to perform this work should be borne by MCI.</p> <p>Finally, BST disagrees with MCI's argument that it is relieved of paying any charges for mergers and acquisition activities pursuant to a bankruptcy order. In any event, if MCI wishes to advance such an argument, this state commission is not the appropriate authority.</p>
33	A7 -1.17	How should the rate for the calculation of late payments be determined?	The late payment rate should be included in the agreement and capped at 18% (the common commercial rate MCI uses today) or applicable law, whichever is lower.	BST applies a late payment charge to its retail and wholesale customers on a non-discriminatory basis. BST is willing to agree to language requiring it to comply with applicable law regarding a cap for late payment charges. It is inappropriate to include a late payment pricing table in the agreement.
34	A7 -1.19 (all subsections)	What process should be used for the Discontinuing of Service?	The principal dispute is whether, if MCI fails to pay a bill for a BST service, BST may suspend, discontinue or terminate all services it provides to MCI regionwide. BST's proposed language that would permit it to take this action is unreasonable because it could result in all services to MCI being suspended, discontinued or terminated in all BST states because a small bill for a minor service in one state was mistakenly not paid.	Based on MCI's prior financial history, including the filing for bankruptcy, MCI should pay all undisputed charges. Accordingly, BST should have the ability to suspend, discontinue, or terminate service for all of MCI's services for nonpayment of undisputed charges. BellSouth has sufficient treatment processes in place, such as invoice aging reports routinely provided to MCI that would essentially preclude a "small bill for minor services" from

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				<p>being mistakenly overlooked by MCI.</p> <p>In addition, MCI should be required to pay any additional, undisputed amounts that become past due during any suspension or cure period.</p>

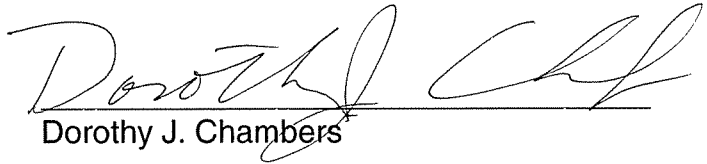
**CERTIFICATE OF SERVICE**

It is hereby certified that a true and correct copy of the foregoing was served on the following individual by mailing a copy thereof, this 3rd day of March 2006.

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