February 15, 2000

VIA FACSIMILE AND FEDERAL EXPRESS

Ms. Chris Boltz
Manager – Interconnection Services
BellSouth Telecommunications, Inc.
675 West Peachtree Street
Room 34S91
Atlanta, Georgia 30375

RE: Sprint/BellSouth interconnection negotiations for the State of Kentucky

Dear Ms. Boltz:

Pursuant to Section 252 of the Telecommunications Act of 1996 ("Act"), Sprint Communications Company L.P. ("Sprint") hereby requests commencement of negotiations with BellSouth Telecommunications, Inc. ("BellSouth"), for an agreement providing interconnection, resale, access to unbundled network elements, and ancillary services in order that Sprint may provide competing local exchange service within the State of Kentucky. As indicated in my letter to you, dated September 14, 1999, and confirmed in BellSouth's letter to Sprint's Ms. Closz, dated September 17, 1999, Sprint and BellSouth anticipate that the Georgia negotiations will serve to create a template for negotiations between the parties for the other states in the BellSouth region, including Kentucky.

Please acknowledge to me, by way of e-mail, facsimile or U.S. Mail, that you have received this letter. Sprint looks forward to entering into a fair and equitable interconnection agreement with BellSouth in accordance with the requirements of the Act. Please contact me if you should have any questions regarding this matter.

Sincerely,

William R. Atkinson

Cc: Ms. Melissa L. Closz
Mr. Mark G. Felton
Mr. Tony Key
Mr. Jack Hughes

July 17, 2000

VIA FACSIMILE AND FEDERAL EXPRESS

Ms. Chris Boltz
Manager – Interconnection Services
BellSouth Telecommunications, Inc.
675 West Peachtree Street
Room 34S91
Atlanta, Georgia 30375

RE: Sprint/BellSouth interconnection negotiations for Kentucky

Dear Ms. Boltz:

As you know, Sprint Communications Company L.P. ("Sprint") and BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Section 252(a) of the Telecommunications Act of 1996 ("Act"), have been engaged in interconnection negotiations for the State of Kentucky. In accordance with our recent telephone discussions, Sprint and BellSouth desire to re-initiate negotiations for an interconnection agreement in Kentucky effective May 18, 2000, pursuant to Section 252 of the Act. Such action will allow the parties to continue their good-faith negotiations, and will facilitate in limiting the number of open issues which may go to arbitration, in the event that Sprint or BellSouth requests that the Kentucky Public Service Commission arbitrate the open issues. Accordingly, Sprint and BellSouth agree that: 1) the date BellSouth received Sprint's request for interconnection negotiations shall be considered to be May 18, 2000; 2) the 135th day of the arbitration "window" pursuant to Section 252(b)(1) of the Act is September 30, 2000; and 3) the 160th day is October 25, 2000.

Please sign and return this letter to me at your earliest convenience. Thank you for your assistance, and please call me if you should have any questions.

Sincerely,

William R. Atkinson
Attorney, State Regulatory

Concurred in by:

_____

Chris Boltz
Manager – Interconnection Services
BellSouth Telecommunications, Inc.

Cc: Ms. Melissa L. Closz
Mr. Mark G. Felton
Mr. Tony H. Key

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In re:

Petition of Sprint Communications	)	
Company L.P. for Arbitration with	)	
BellSouth Telecommunications, Inc.	)	Case No.:
Pursuant to Section 252(b) of the	)	
Telecommunications Act of 1996.	)	

PETITION OF SPRINT COMMUNICATIONS COMPANY L.P. FOR ARBITRATION

In accordance with Section 252(b) of the Telecommunications Act of 1996 ("Act")[1], Sprint Communications Company L.P. ("Sprint") petitions the Kentucky Public Service Commission ("KPSC" or "Commission") to arbitrate certain unresolved terms and conditions of a proposed renewal of the current interconnection agreement between Sprint and BellSouth Telecommunications, Inc. ("BellSouth" or "BST"). Absent the Commission's intervention and arbitration of the unresolved issues identified herein, Sprint will be unable to compete with BellSouth in the provision of competitive local exchange service to consumers in Kentucky.

As explained below, the KPSC should require BellSouth to provide interconnection pursuant to the rates, terms, and conditions agreed to by the parties and where no agreement exists, pursuant to the rates, terms and conditions proposed by Sprint.

PARTIES

1.

Sprint, the Petitioner, is a Delaware Limited Partnership having its principal place of business at 8140 Ward Parkway, Kansas City, Missouri. Sprint is authorized to transact business, and is conducting business, within the State of Kentucky as a certificated interexchange carrier ("IXC") and is a telecommunications carrier as that term is defined in the Act. Further, Sprint is authorized to provide competing local exchange service in Kentucky.[2]

Sprint's business address is 7301 College Boulevard, Overland Park, Kansas 66210.

---

[1] Pub. L. No. 104-104,110 Stat. 70, 47 U.S.C. 252(b)

[2] Kentucky CLEC tariff approved August 31, 1999. See also Order, Case No. 97-077 (issued October 20, 1999).

The name and address of Sprint's representatives in these proceedings are:

William R. Atkinson
Benjamin W. Fincher
Sprint
3100 Cumberland Circle
Atlanta, Georgia 30339
(404) 649-6221
(404) 649-5174 (facsimile)

-and-

John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, Kentucky 40601
(502) 227-7270
(502) 875-7059 (facsimile)

2.

BellSouth is a corporation organized and formed under the laws of the State of Georgia, with offices located at 675 West Peachtree Street, Atlanta, Georgia 30375, and 601 West Chestnut Street, Louisville, Kentucky, 40203. BellSouth is an incumbent local exchange carrier ("ILEC") in Kentucky as defined under Section 251(h) of the Act, 47 U.S.C. 251(h).

JURISDICTION AND TIMELINESS

3.

The Commission has jurisdiction over this Petition pursuant to Section 252(b)(1) of the Act, wherein Congress created an arbitration procedure for requesting telecommunications carriers and ILECs to obtain an interconnection agreement through "compulsory arbitration" by petitioning a "State commission to arbitrate any open issues" unresolved by negotiation under Section 252(a) of the Act. In accord with this procedure, either party to an interconnection negotiation may petition a State commission for arbitration "during the period from the 135th to the 160th day (inclusive) after the date on which an incumbent local exchange carrier receives a request for negotiation . . ."

4.

In an effort to continue negotiations and to narrow the number of unresolved issues that would potentially be brought before the Commission, Sprint and BellSouth re-initiated negotiations under Section 252(b)(1) of the Act. Under the current negotiations schedule mutually agreed to by the parties, the 135th day of the arbitration "window" in connection

with this matter was September 30, 2000, and the 160th day is October 25, 2000. Copies of the relevant correspondence commencing negotiations, and stipulating to the current "window" for arbitration are attached as Exhibit "A". Accordingly, the Petition is timely filed.

NEGOTIATIONS

5.

Sprint is currently engaged in ongoing negotiations with BellSouth in a good faith effort to enter into an agreement that would allow Sprint to interconnect with BellSouth, resell BellSouth's retail service offerings by purchasing BellSouth's retail services at wholesale prices, and purchase and provision on an unbundled element-by-element basis, the features and functions that comprise local exchange service. Since the first face-to-face negotiations in October 1999, the parties have met for at least twelve separate face-to-face negotiation sessions, five of which lasted for more than one day. In addition, the parties have held many extensive telephonic negotiation sessions in an effort to reach agreement. Nevertheless, there remain several issues for which the parties have not been able to reach an agreement.

6.

At the outset of negotiations, Sprint agreed to use the BellSouth interconnection agreement template as the starting point for negotiations on each of the contract sections. Further, BellSouth agreed at the outset of negotiations to be the keeper of the official draft interconnection Agreement between the parties. During the course of negotiations, Sprint accepted some of BellSouth's proposed language with no changes, and suggested alternative language for some agreement provisions. For other agreement provisions, Sprint has proposed new language in place of or in addition to BellSouth's proposed language. BellSouth volunteered to be the keeper of the official draft interconnection Agreement between the parties, and, accordingly, is in possession of the entire current draft agreement with all of the competing language included therein. Accordingly, the parties have agreed that BellSouth will file the entire official draft Agreement with the KPSC along with its Response to this Petition, with the most recent changes and Sprint proposed language included therein. Although negotiations initially focused on the state of Georgia, the parties agreed that the negotiations would cover several southeastern states, including Kentucky. For this reason, Sprint has assumed that positions taken in Georgia apply to Kentucky, unless BellSouth has indicated otherwise.

UNRESOLVED ISSUES FOR ARBITRATION

7.

Sprint requests that the KPSC require BellSouth to enter into an agreement pursuant to the rates, terms and conditions agreed to by the parties, and where no agreement exists, pursuant to the terms and conditions proposed by Sprint. The issues on which the parties have appeared to reach an impasse are described in detail below and identified as

arbitration issues 1 through 32. The remaining open issues between the parties are identified and summarized in Exhibit "B" to this Petition. Sprint hereby incorporates by reference the open issues identified in Exhibit "B", and respectfully requests arbitration for all the issues stated below and in Exhibit "B". Sprint anticipates, however, that many of the issues in Exhibit "B" will be resolved prior to the hearing in connection with this matter. If BellSouth disagrees with the status of any contract provision as characterized by Sprint, Sprint requests that the Commission also arbitrate such disagreement.

ISSUE NO. 1: Terms and Conditions, Section 19.7 – Resolution of conflicts between Agreement and BellSouth tariff

8.

Statement of the Issue: In the event that a provision of this Agreement or an Attachment thereto, and a BellSouth tariff provision cannot be reasonably construed to avoid conflict, should the provision contained in this Agreement prevail?

Sprint's Position: Yes, in the event of conflict, and absent an explicit reference in the Agreement to a BellSouth tariff, the terms of the Agreement between the parties should prevail.

BellSouth's Position: BellSouth has recently withdrawn its counterproposal to Sprint's originally proposed contract language, and contends that Sprint language should be struck.

Discussion: Interconnection agreements pursuant to Section 252 of the Act, and commercial contracts in general, are intended and designed to constitute the entire agreement between the parties. Further, large portions of the renewal interconnection agreement between the parties that will in due course be approved by this Commission will have been voluntarily negotiated and agreed upon by the parties. In the event that an Agreement provision and a tariff provision cannot be construed by the parties in order to avoid conflict, and in the absence of an explicit reference to the tariff provision in question, it is entirely appropriate that the provision of the Agreement between the parties should prevail.

ISSUE NO. 2: Attachment 1, Resale, Section 3.1.2 -- Resale of stand-alone vertical features

9.

Statement of the Issue: Should BellSouth make its Custom Calling features available for resale on a stand-alone basis?

Sprint's Position: Yes. Except as otherwise expressly ordered in a resale context by the relevant state Commission in the jurisdiction in which the services are ordered, Custom Calling Services should be available for resale on a stand-alone basis.

BellSouth's Position: BellSouth believes that stand-alone vertical services and/or vertical features should be available for resale only to the extent such services and features are available on a stand-alone basis in a BellSouth tariff.

Discussion: As one of the obligations imposed upon incumbent LECs, Section 251(c)(4) of the Act specifies:

> The duty:
>
> (A) to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers; and
> (B) not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications service . . .

With the exception of cross-class selling restrictions and limits on wholesale pricing for promotional offers, "an incumbent LEC may impose a restriction only if it proves to the state commission that the restriction is reasonable and nondiscriminatory". 47 CFR 613(b). BellSouth provides custom calling features at retail to "customers who are not telecommunications carriers," and any refusal to provide such features for resale on a stand-alone basis would be discriminatory.

If BellSouth's position is that Sprint may purchase stand-alone vertical services and/or vertical features for resale only to the extent such services and features are available on a stand-alone basis in a BellSouth tariff, such a position would be contrary to Section 251(c)(4) of the Act, and would constitute an impermissible restriction on the resale of a service. Accordingly, Sprint requests that the Commission adopt its proposed language, which clearly states that Custom Calling features are available for resale on a stand-alone basis unless the relevant state Commission has ordered otherwise.

ISSUE NO. 3: Attachment 1 – Resale, Section 4.5.1.3.3; Attachment 2, Network Elements and Other Services, Section 15.4.3.3 – Cost-based rates for dedicated trunking

10.

Statement of the Issue: Should Sprint be required to pay BellSouth access rates for dedicated trunking from each BellSouth end-office identified by Sprint to either the BellSouth Traffic Operator Position System ("TOPS"), or the Sprint operator service provider?

Sprint's Position: No, cost-based rates should apply.

BellSouth's Position: Yes.

Discussion: Section 252(d) of the Act provides for cost-based UNE rates. BellSouth has offered no reason why Sprint should be forced to pay access rates for dedicated trunking in the situation described above. In fact, BellSouth has not provided any cost justification whatsoever for its proposed trunking rates. Accordingly, Sprint requests that the Commission require BellSouth to provide such dedicated trunking at cost-based rates.

ISSUE NO. 4: Attachment 2, Network Elements and Other Services, Sections 1.4, 13, 14 -- UNE combinations

11.

Statement of the Issue: Pursuant to Federal Communications Commission ("FCC") Rule 51.315(b) should BellSouth be required to provide Sprint at forward-looking incremental rates combinations of UNEs that BellSouth typically combines for its own retail customers, whether or not the specific UNEs have already been combined for the specific end-user customer in question at the time Sprint places its order?

Sprint's Position: Yes, BellSouth should be required to provide to CLECs UNEs that are ordinarily combined in BellSouth's network in the manner in which they are typically combined.

BellSouth's Position: BellSouth should not be required to combine UNEs for CLECs unless the network elements are in fact already combined by BellSouth in the BellSouth network to provide service to a particular end-user at a particular location.

Discussion: Sprint asserts that "currently combines", as that phrase is used in FCC Rule 315(b), means those network elements that are ordinarily combined within BellSouth's network, in the manner in which they are typically combined. BellSouth contends that it is only obligated to provide combinations to Sprint if the elements are already combined and providing service to the customer in question at a particular location. Sprint's interpretation concurs with the plain meaning of the reinstated FCC Rule 315(b)[3], which provides that "[e]xcept upon request, an incumbent LEC shall not separate requested network elements that the incumbent LEC currently combines."

Accordingly, Sprint urges the KPSC to reject BellSouth's narrow reading of FCC Rule 315(b) and require BellSouth to provide to Sprint at forward-looking TELRIC rates those combinations of UNEs that BellSouth ordinarily and typically combines for its own retail customers.

---

[3] Rule 315(b) was reinstated by the Supreme Court in AT&T Corporation v. Iowa Utilities Board, 119 S.Ct. 721 (1999).

ISSUE NO. 5: Attachment 2, Network Elements and Other Services, Sections 4.2.6, 12 – Access to DSLAM, unbundled packet switching

12.

Statement of the Issue: Should the Commission require BellSouth to provide access to packet switching UNEs under the circumstances specified in the FCC's UNE Remand Order on a customer-specific or location-specific basis?

Sprint's Position: Yes, the Commission should specify that BST must unbundle packet switching to the full extent of the circumstances described in the UNE Remand Order on a customer-specific or location-specific basis.

BellSouth's Position: BellSouth's position is unclear.

Discussion: At the very least, the parties' interconnection agreement should provide for the availability of unbundled packet switching in the limited circumstances currently required by the FCC. Under the FCC's rule, if BellSouth has deployed a digital loop carrier system and has deployed packet switching for its own use, it must provide unbundled packet switching if, in addition, there are no spare copper loops capable of supporting the xDSL service a CLEC seeks to provide and the CLEC is not permitted to collocate a DSLAM in the remote terminal or other interconnection point. BellSouth apparently believes that in order to avoid this obligation, it is sufficient that there are spare copper loops available somewhere in its network and that BellSouth as a general matter allows CLECs to collocate in remote terminals ("RTs").[4] However, the correct interpretation of Rule 319(c)(3)(B) is that where an ILEC has deployed a digital loop carrier system and packet switching in a particular location, there are no spare copper

---

[4] See *Petition for Arbitration of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and Intermedia Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Georgia PSC Docket No. 11644-U, Prefiled Direct Testimony of Alphonso J. Varner, at 35:

> Basically, in its Rule 51.319(c)(5)(sic), the FCC identified four conditions that, only where all four conditions are present, would an ILEC have to unbundle packet switching. All of these conditions do not exist in BellSouth's network. BellSouth has taken the necessary measures to ensure that ALECs have access to necessary facilities so that BellSouth is not required to unbundle packet switching.

See also GPSC Docket No. 11811-U Hearing Transcript (May 9, 2000) at 182 (Varner):

> Q. If you[r] pedestals don't accommodate DSLAMs, how are you in compliance with this third condition?
> A. Because under this condition, we're only required to offer this collocation where in fact we have the space for you to put the equipment.

loops available in that location for service to a particular customer that are capable of supporting the specific xDSL service a CLEC intends to provide, and the CLEC is not permitted for any reason (including space availability) to collocate in the specific remote terminal or similar location that provides access to the specific customer, the ILEC must provide unbundled packet switching to permit the CLEC to provide a packet switched service to that customer. Such circumstances could arise in a variety of instances, including the combination of a loop length that is too long to support the xDSL service the CLEC desires to provide and inadequate space for the CLEC's DSLAM in the serving remote terminal.

To read FCC Rule 319(c)(3)(B) according to BellSouth's apparent interpretation would permit ILECs to completely avoid the obligation to provide unbundled packet switching through anticompetitive design of their networks. Accordingly, the parties' interconnection Agreement must require BellSouth to provide unbundled packet switching to Sprint in any individual case where the FCC's four conditions are met.

ISSUE NO. 6: Attachment 2, Network Elements and Other Services, Sections 13, 14 -- Enhanced Extended Links (EELs")

13.

Statement of the Issue: Should BellSouth be required to universally provide access to EELs that it ordinarily and typically combines in its network at UNE rates?

Sprint's Position: Yes, BellSouth should be required to universally provide to Sprint access to EELs that are ordinarily combined in BellSouth's network in the manner in which they are typically combined.

BellSouth's Position: BellSouth's obligation to provide access to EELs should be restricted to those combinations that are in fact already combined by BellSouth in the BellSouth network to provide service to a particular end-user at a particular location.

Discussion: Sprint seeks the ability to generally obtain from BellSouth not only those loop and transport network elements constituting EELs that are already combined in BellSouth's network for service to a particular end-user at a specific location, but also those combinations that BellSouth ordinarily and typically combines for its own retail customers. As mentioned previously, Sprint's position concurs with the plain meaning of Rule 315 (b), which provides that "[e]xcept upon request, an incumbent LEC shall not separate requested network elements that the incumbent LEC currently combines." Accordingly, Sprint urges this Commission to require BellSouth to provide Sprint with universal access to EELs that BellSouth ordinarily and typically combines in its network.

ISSUE NO. 7: Attachment 2, Network Elements and Other Services, Sections 2.2.11, 2.2.14, and Attachment 5, Access to Numbers and Number Portability, Section 7.1.1.1 – Additional charge for "Order coordination – Time Specific"

14.

Statement of the Issue: Should Sprint incur an additional charge for time-specific order coordinations where no such charge has been specifically approved by the relevant state Commission?

Sprint's Position: No.

BellSouth's Position: Yes.

Discussion: Sprint should not incur an additional charge for time-specific order coordination. BellSouth has not provided to Sprint any cost justification for this additional charge, and the Commission has never approved such a rate. The Commission must disallow this charge until it has reviewed BellSouth's purported cost justification and found it to be consistent with the Act.

ISSUE NO. 8: Attachment 2, Network Elements and Other Services, Sections 2.2.11, 4.2.6; Attachment 6, Ordering and Provisioning, Section 3.6 – Application of access rates to cancellation charges, expedite charges, and other charges

15.

Statement of the Issue: Should BellSouth be permitted to charge Sprint access tariff rates for UNEs, interconnection, and associated services related to the provision of local exchange service?

Sprint's Position: No.

BellSouth's Position: Yes.

Discussion: It is inappropriate for BellSouth to attempt to apply non-cost-based rates for UNEs and associated services purchased by Sprint under the parties' interconnection Agreement. Sprint's position, consistent with Section 252(d) of the Act, is that cost-based rates, or at the very least, rates mutually agreed upon by the parties, should apply. BellSouth has not provided any cost justification for the proposed rates identified above. Accordingly, Sprint requests that the Commission require BellSouth to provide these services at cost-based rates, or at the very least, rates mutually agreed upon by the parties.

ISSUE NO. 9: Attachment 3, Interconnection, Sections 2.7, 2.8.8.3 – Point of Interconnection.

16.

Statement of the Issue: Should BellSouth be able to designate the network Point of Interconnection ("POI") for delivery of its local traffic?

Sprint's Position: No. Sprint should have the ability to designate the point of Interconnection for both the receipt and delivery of local traffic at any technically feasible location within BellSouth's network. This right includes the right to designate the POI in connection with traffic originating on BellSouth's network.

BellSouth's Position: Yes, BellSouth can designate the network POI for delivery of its local traffic.

Discussion: In its Local Competition Order[5], the FCC clearly stated that the specific obligation of ILECs to interconnect with local market entrants pursuant to Section 251(c)(2) the Act[6] engenders the local entrant's right to designate the point or points of interconnection at any technically feasible point within the Local Exchange Carrier's network:

> The interconnection obligation of section 251(c)(2) allows competing carriers to choose the most efficient points at which to exchange traffic with incumbent LECs, thereby lowering the competing carriers' cost of, among other things, transport and termination of traffic.
>
> . . . . Of course, requesting carriers have the right to select points of interconnection at which to exchange traffic with an incumbent LEC under Section 251(c)(2).

Local Competition Order, at Paragraphs 172, 220, fnte. 464. In other words, Congress and the FCC intended to give CLECs the flexibility to designate the POI for the receipt and delivery of local traffic in order that the CLEC may minimize entry costs and achieve the most efficient network design. No such right is given to the incumbent carrier, only

---

[5] See *First Report and Order,* CC Docket No. 96-98 (issued August 8, 1996) (hereinafter "Local Competition Order").

[6] Section 251(c)(2) provides as follows: "Interconnection. The duty to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the local exchange carrier's network –

(A) for the transmission and routing of telephone exchange service and exchange access;
(B) at any technically feasible point within the carrier's network;
(C) that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection; and
(D) on rates, terms and conditions that are just, reasonable, and nondiscriminatory, in accordance with the terms and conditions of the agreement and the requirements of this section and section 252 of this title."

to new entrants. Sprint's right to designate the point of interconnection so as to lower its costs, including its cost of transport and termination of traffic, includes the right to designate the point of interconnection associated with traffic that originates on BellSouth's network, which Sprint must terminate.

BellSouth may wish to designate its end offices as the point of interconnection for traffic it originates. Such a designation would force Sprint to build facilities to each BellSouth end office or to pay to transport BellSouth traffic to Sprint's network. This position would be inconsistent with the FCC's Local Competition Order and the Act. Sprint is not required to extend its facilities to each BellSouth end office or to any other point designated by BellSouth. Instead, BellSouth is obligated to provide interconnection for Sprint facilities at points within BellSouth's network designated by Sprint. It is neither appropriate nor consistent with the Act and associated FCC Orders for the monopolist incumbent to increase entrant's costs and potentially decrease the entrant's network efficiencies by arbitrarily designating where in the LATA it chooses to hand its traffic off to Sprint and other local market entrants.

ISSUE NO. 10: Attachment 3, Interconnection -- Multi-jurisdictional traffic over any type trunk group

17.

Statement of the Issue: Should the parties' Agreement contain language providing Sprint with the ability to transport multi-jurisdictional traffic over the same trunk groups, including access trunk groups?

Sprint's Position: Yes. Several state Commissions have previously sided with Sprint's position in connection with this issue.

BellSouth's Position: Sprint is permitted to route multi-jurisdictional traffic over the same trunk group, but not over any type trunk group it chooses.

Discussion: In order to optimize network efficiency from a facilities, trunking and switch port perspective, Sprint proposes to use its existing access trunking with BellSouth in selected locations for the transport of local traffic. Where Sprint has existing trunking to a BellSouth central office, adding local traffic to that trunk group utilizes its capacity at an incremental cost. Forcing Sprint into establishing a new, inefficient overlay network for local traffic penalizes both Sprint CLEC and the consumer.

Sprint believes, and BellSouth admitted as much during the first Georgia arbitration proceeding with Sprint,[7] that it is technically feasible to mix different traffic types over the same trunk group. Further, the ability to route multi-jurisdictional traffic over any type trunk group allows Sprint as a local market entrant to save costs and design a more efficient network. The Florida Commission has indicated that BellSouth must make multi-jurisdictional trunks available so long as PLU factors are utilized. See, *In re: Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996*, Docket No. 960786-TL; Order No. PSC-97-1459-FOF-TL, 97 FPSC 11:297. In its previous Order in connection with the first Sprint/BellSouth arbitration in Georgia, that Commission stated the following:

> The Commission finds that Sprint's request is not technically infeasible. The Commission finds that currently, interexchange carriers mix interstate and intrastate traffic over the same trunk group. The Commission rules that for a reasonable period of time, Sprint shall be permitted to pass both local and toll traffic over a single trunk group, utilizing a percent local usage factor to jurisdictionally separate the traffic. This factor shall be subject to audit.

Order Ruling on Arbitration, GPSC Docket No. 6958-U (issued January 7, 1997), at 20 (emphasis added). During negotiations, BellSouth has not objected to the concept of routing multi-jurisdictional traffic over the same trunk group, but apparently does object to Sprint's proposed language that would clarify Sprint's right to route the multi-jurisdictional traffic, where technically feasible, over any type trunk group that Sprint chooses, including trunks that were purchased from BellSouth's access tariff. Sprint's request is certainly technically feasible. In addition, Sprint will make the appropriate billing records available to BellSouth. The parties may then utilize a percent local usage ("PLU") factor to separate the traffic by jurisdiction, and such PLU factor will be subject to audit. Accordingly, Sprint respectfully requests that the KPSC adopt Sprint's proposed language for this provision:

> In instances where Sprint combines traffic as set forth in this Section, BellSouth shall not preclude Sprint in any way from using existing facilities procured in its capacity as an interexchange carrier. In this circumstance, Sprint will preserve the compensation scheme for each jurisdiction of traffic that is combined. Sprint's failure to preserve this scheme and compensate BellSouth accordingly would constitute a violation of this Agreement.

---

[7] See Hearing Tr., GPSC Docket No. 6958-U, December 10, 1996, at 335: "Q. In your pre-filed direct testimony regarding this issue, Mr. Scheye, you seem to be saying that it's possible technically to route different types of traffic on a single trunk, is that correct? A. Correct."

ISSUE NO. 11: Attachment 3, Interconnection, Section 2.9 – 00- traffic over access trunks

18.

Statement of the Issue: Should Sprint local calls that are routed over existing or new access trunks using a zero- zero-minus ("00-") dialing pattern be priced and classified as local calls?

Sprint's Position: Yes.

BellSouth's Position: No.

Discussion: As an efficient network owner, Sprint manages a common operator services platform to provide enhanced operator services to several different Sprint service platforms, including the IXC and CLEC operations platforms. When Sprint was interconnected to BellSouth solely as an IXC, it may have been correct for BellSouth to assume that the digit sequence 00 designated interexchange traffic only. Today, however, Sprint is certified as a CLEC as well as an IXC and plans to offer Sprint customers enhanced 00- operator services through Sprint's facilities-based network in competition with BellSouth 0- operator services, as well as providing local services through 00- access. Accordingly, the 00- call is non-jurisdictional during the time that the call is passed from the originating network to the operator platform in order to receive additional voice or tone commands from the end user. Only after the call is routed for completion by the Sprint integrated enhanced services platform can the jurisdiction of the call be accurately determined and reported for billing purposes. Sprint's proposal is equitable and allows Sprint to utilize its network efficiently. Therefore, Sprint requests that the Commission adopt the following Sprint proposed language:

> In instances where Sprint combines traffic as set forth in this section, BellSouth shall not preclude Sprint in any way from using existing facilities procured in its capacity as an interexchange carrier. In this circumstance, Sprint will preserve the compensation scheme for each jurisdiction of traffic that is combined. Sprint's failure to preserve this scheme and compensate BellSouth accordingly would constitute a violation of this Agreement.

ISSUE NO. 12: Attachment 3, Interconnection, Sections 2.8.6, 2.8.8.2.1 -- Two-Way Trunks

19.

Statement of the Issue: Is BellSouth required under FCC Rule 51.305(f) to provide two-way trunks to Sprint and to use two-way trunks for BellSouth's originated traffic?

Sprint's Position: Yes.

Bellsouth's Position: No.

Discussion: The aforementioned FCC Rule requires BellSouth to provide two-way trunks upon request. Sprint views two-way trunks as the preferred trunking arrangement, in many cases, because of acknowledged efficiencies gained in switching ports and interconnecting facilities. During negotiations, BellSouth has proposed a two-way "supergroup" trunk group between the access tandem and Sprint's end office, but will not commit to using those same trunks for its own traffic, effectively negating the efficiencies of two-way trunks for both parties. BellSouth should not be permitted to frustrate the purpose of FCC Rule 305(f). Accordingly, Sprint requests that the Commission require BellSouth to use two-way trunks for its traffic in instances where Sprint uses two-way trunks for its traffic.

ISSUE NO. 13: Attachment 3, Interconnection, Sections 6.1.1, 6.1.1.1, 6.9, 6.10 – definition of "Local Traffic" for purposes of Reciprocal Compensation, characterization of ISP traffic as switched access traffic

20.

Statement of the Issue: Should Internet Service Provider ("ISP") bound traffic be included in the definition of "local traffic" for purposes of reciprocal compensation under this Agreement?

Sprint's Position: Yes, ISP traffic is local in nature and should be included in the definition of "local traffic" for purposes of reciprocal compensation under the Agreement.

BellSouth's Position: No. ISP traffic is largely interstate in nature, and thus should not be included in the definition of "local traffic" for purposes of reciprocal compensation.

Discussion: As the Commission is aware, the FCC determination that ISP bound traffic is jurisdictionally mixed and appears to be largely interstate has been vacated and remanded to the FCC.[8] However, in its previous decision,[9] the FCC recognized that parties may have agreed to reciprocal compensation for ISP bound traffic, or that a state

[8] Bell Atlantic Telephone Cos. v. FCC, 206 F.3d 1 (D.C.Cir., March 24, 2000).

[9] *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic*, CC Docket Nos. 96-98, 99-68, 14 FCC Rcd 3689 (1999).

Commission in the exercise of its authority to arbitrate interconnection disputes under Section 252 of the Act may have imposed reciprocal compensation obligations for this type of traffic. The FCC concluded in its previous Order that until the effective date of a federal rule regarding the appropriate method of inter-carrier compensation for this type of traffic, parties are bound by their existing interconnection agreements as interpreted by the relevant state Commission: "[I]n the absence of a federal rule, state commissions have the authority under Section 252 of the Act to determine inter-carrier compensation for this traffic."[10] Accordingly, the KPSC clearly has the authority to determine that for purposes of the Sprint/BellSouth interconnection agreement, ISP traffic should be subject to reciprocal compensation.[11] In the event that upon remand, the FCC subsequently adopts a different compensation scheme for ISP traffic and applies its determination to then existing interconnection agreements, the parties could then modify their Agreement to reflect that determination.

ISSUE NO. 14: Attachment 3, Interconnection, Sections 6.1.2, 6.1.4, 6.1.6 – Tandem charges for comparable area

21.

Statement of the Issue: Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, should the rate for such other carrier be the incumbent LEC's tandem interconnection rate?

Sprint's Position: Yes. Where Sprint's local switch covers a comparable geographic area to the area serviced by BellSouth's tandem, Sprint is permitted under FCC Rule 711(a)(3) to charge BellSouth the tandem interconnection rate.

BellSouth's Position: No. In order for a CLEC to appropriately charge tandem rate elements, the CLEC must demonstrate to the Commission that: 1) its switch serves a comparable geographic area to that served by the ILEC's tandem switch; and 2) its switch performs local tandem functions. BellSouth believes the CLEC should only be compensated for the functions that it actually provides.

Discussion: FCC Rule 711(a) generally provides for symmetrical rates for the transport and termination of local traffic. Specifically, FCC Rule 711(a)(3) requires that where Sprint's local switch covers a comparable geographic area to the area served by BellSouth's tandem, Sprint may assess BellSouth the tandem interconnection rate. See also Local Competition Order, at Paragraph 1089: "Given the advantages of symmetrical rates, we direct states to establish presumptive symmetrical rates based on the incumbent

[10] Id., at 3706.

[11] The D.C. Circuit's *vacatur* and remand of the FCC's ruling did not consider the FCC's determination that state Commissions have the authority to require ILEC payments to CLECs for ISP reciprocal compensation.

LEC's costs for transport and termination of traffic when arbitrating disputes under section 252(d)(2) . . ." BellSouth has not agreed to Sprint's language specifying symmetrical rate treatment in this situation, and Sprint requests that the Commission adopt Sprint's proposed language.

ISSUE NO. 15: Attachment 3, Interconnection, Sections 5.1.7, 5.7.1, 5.8.1 – inclusion of IP telephony in definition of "Switched Access Traffic"

22.

Statement of the Issue: Should voice-over-Internet ("IP telephony") traffic be included in the definition of "Switched Access Traffic", thus obligating Sprint to pay switched access charges for such calls?

Sprint's Position: No.

BellSouth's Position: Yes, the definition of "Switched Access Traffic" should include IP telephony, and Sprint should pay switched access charges for these calls.

Discussion: IP telephony should not be included in the definition of Switched Access Services Traffic in the parties' interconnection agreement. Although the FCC has suggested that some IP telephony resembles switched access traffic, it has not made a definitive determination regarding the regulatory treatment of IP telephony. Accordingly, the parties' interconnection agreement should not prejudge this issue, but should be silent on it.

ISSUE NO. 16: Attachment 4, Collocation, Section 6.4 --Provisioning intervals for physical collocation.

23.

Statement of the Issue: Should the parties' interconnection Agreement include provisioning intervals proposed by Sprint for physical collocation?

Sprint's Position: Yes.
BellSouth's Position: No. Upon a firm order by an applicant carrier, BellSouth will provision caged or cageless physical collocation as quickly as possible, but within a maximum of 90 calendar days under ordinary circumstances and 130 calendar days under extraordinary conditions. BellSouth has not communicated to Sprint that it has altered its position relative to the Kentucky negotiations.

Discussion: In Section 6.4 of the parties' Agreement, BellSouth proposes a single provisioning interval of up to 90 calendar days for both physical caged and cageless collocation, ordinary conditions, and 130 calendar days for extraordinary conditions. Sprint's proposed collocation intervals, which include sixty (60) calendar days for

physical cageless collocation where no conditioning is required and ninety (90) calendar days where conditioning is required, are substantially more reasonable. If BellSouth is held accountable and required by the KPSC to commit to a reasonable, uniform firm interval for provisioning physical collocation, this accountability will provide the incentive for BellSouth to better manage its work activities and concurrent processes. Sprint requests the Commission adopt Sprint's proposed contract language containing Sprint's recommended provisioning intervals.

Issue No. 17: Attachment 4, Collocation, Section 6.4 -- Construction and provisioning interval (building permits)

24.

Statement of the issue: Is it appropriate for BellSouth to exclude from its physical caged collocation interval the time interval required to secure the necessary building licenses and permits?

Sprint's position: No. BellSouth should be held accountable for the time required to complete all of the necessary tasks related to the provisioning of physical collocation, which includes the time required to obtain necessary building permits.

BellSouth's position: In the Georgia arbitration proceeding, BellSouth's position is yes. BellSouth should not be held responsible for the time required to obtain building permits, because this process is largely outside of BellSouth's control. BellSouth has not communicated to Sprint that it has altered its position relative to the Kentucky negotiations.

Discussion: It is not appropriate to exclude permit-processing times from BellSouth's physical caged collocation provisioning interval. BellSouth should be required to manage the provisioning of physical collocation so that the permitting runs concurrently with other work activity that BellSouth performs in order to complete the collocation provisioning process. If BellSouth is held accountable for the entire collocation provisioning interval, this accountability will provide the incentive for BellSouth to better manage its work activities and concurrent processes. Accordingly, Sprint urges the Commission not to allow BellSouth to exclude the permitting interval from the measurement.

In its recent Comments filed in connection with the Louisiana Public Service Commission's pending performance measurements proceeding, BellSouth has stated that "[I]t would be unfair to hold BellSouth accountable for missing an interval in circumstances where the cause for the miss is an unusually long interval for obtaining a permit caused by third party governmental officials over which BellSouth has no

control."[12] While BellSouth does not have specific control over the actions of officials, it does have complete control over the extent to which it compresses its provisioning processes so that work activities run as concurrently as possible. Similarly, BellSouth has complete control over the manner and the frequency with which it follows up with the appropriate officials in order to assure that permits are obtained in a timely manner. BellSouth asserts its lack of "control", but it possesses substantially more control over the situation than the CLEC, who is entirely dependent upon BellSouth to provision physical collocation arrangements in a timely manner. Staff agrees with Sprint in this regard, since it has recently recommended in the Commission's ongoing performance measurements docket that BellSouth not be allowed to exclude permit time from BellSouth's collocation arrangement provisioning interval.[13] Accordingly, Sprint urges the KPSC to adopt Sprint's modifications to BellSouth's proposed language and require BellSouth to include permit processing time in its physical collocation provisioning interval.

ISSUE NO. 18: Attachment 4, Collocation, Sections 2.1, 2.6, 6.2, 6.3 - Collocation response and notiification intervals; business days versus calendar days

25.

Statement of the Issue: Regarding the calculation of certain response and notification intervals in connection with physical collocation, what intervals are appropriate, and should calendar days be employed as opposed to business days?

Sprint's Position: Sprint's proposed intervals are appropriate. In addition, calendar days should be used to calculate all intervals associated with physical collocation.

BellSouth's Position: BellSouth's proposed intervals are appropriate and business days should be used to calculate the intervals associated with the application response, public notification of space unavailability, and notification of space availability.
Discussion: During recent negotiations, BellSouth agreed to convert from business days to calendar days all time intervals associated with collocation provisioning that appear in the process subsequent to BellSouth's acceptance of a firm order from Sprint. For certain intervals identified above, however, BellSouth is still proposing to use business days as opposed to calendar days, with the result that these intervals are indefensibly long. Moreover, BellSouth's proposed intervals for collocation response and notification are unacceptably long and will delay the proliferation of competition on BellSouth's markets. CLECs such as Sprint should not have to bear the burden of these inflated time intervals, which may be a result of a poor process design. To the greatest extent possible, BellSouth should ensure that discrete provisioning tasks run concurrently with other work

[12] See BellSouth's Comments on Open Issues List, LPSC Docket No. U-22252, Subdocket C, dated March 20, 2000, at 50 (Issue 27).

[13] Staff Initial Recommendation, LPSC Docket No. U-22252, Subdocket C, *In Re BellSouth Telecommunications, Inc. Service Quality Performance Measurements* (issued June 29, 2000) ("Staff Initial Recommendation"), at 92.

activity that BellSouth performs in order to complete the physical collocation provisioning process. If BellSouth is held accountable for the length of the entire collocation provisioning interval, this accountability will provide the incentive for BellSouth to better manage its work activities and concurrent processes. Accordingly, Sprint urges the Commission to adopt its proposed language regarding collocation response and notification intervals, and that such intervals should be reflected in calendar days.

ISSUE NO. 19: Attachment 4, Collocation, Section 1.2.2 – Space Reservation

26.

Statement of the Issue: Should the Space Reservation Section in the Collocation Attachment contain the following provisions:

> 1) BellSouth and Sprint may reserve floor space for their own specific uses for the remainder of the current year, plus twelve (12) months;
> 2) Upon denial of a Sprint request for physical collocation, BellSouth shall provide justification for the reserved space to Sprint based on a demand and facility forecast which includes, but is not limited to, three to five years of historical data and forecasted growth, in twelve month increments, by functional type of equipment (e.g., switching, transmission, power, etc.);
> 3) BellSouth shall disclose to Sprint the space it reserves for its own future growth and for its interLATA, advanced services, and other affiliates upon request and in conjunction with a denial of Sprint's request for physical collocation, subject to appropriate proprietary protections; and
> 4) In order to increase the amount the amount of space available for collocation, BellSouth will remove obsolete unused equipment, at its cost, from the Premises to meet a request for collocation from Sprint?

Sprint's Position: Yes.

BellSouth's Position: No.

Discussion: Space reservation is a key element of the collocation process and the provisions listed above are designed to ensure that Sprint will experience a level playing field with BellSouth in reserving space. Sprint seeks to: 1) limit the forecast period for reserving space to minimize the potential for overstatement of space needs; 2) require BellSouth to justify any denial to Sprint for a reservation of space by submitting appropriate supporting data; 3) require BellSouth to disclose its own space reservations for its future growth, interLATA services, advanced services, and other affiliates; and 4) require BellSouth to free up space by removing obsolete equipment at its own cost. Through the Commission's adoption of these proposed provisions, Sprint will have a reasonable opportunity to compete against an entrenched incumbent.

ISSUE NO. 20: Attachment 4, Collocation, Section 2.2.2 – Time frame to provide reports regarding space availability

27.

Statement of the Issue: Regarding multiple requests for collocation space availability reports on specific BellSouth central offices, should BellSouth provide such reports within the time intervals proposed by Sprint?

Sprint's Position: Yes. Sprint should not be penalized for requesting space availability reports for multiple central office locations.

BellSouth's Position: BellSouth has proposed that the response time for report requests for more than five central offices will be negotiated between the parties.

Discussion: Sprint has suggested reasonable firm time intervals in which BellSouth should respond to Sprint's multiple requests for collocation space availability reports for specific central offices. If the central office is located in one of the top 100 Metropolitan Statistical Areas ("MSAs"), Sprint asserts that BellSouth should be able to respond to all multiple requests for space availability reports within ten calendar days. For multiple requests involving central offices that are located in areas outside of one of the top 100 MSAs but inside the same state, Sprint has proposed a detailed schedule of firm response times. Sprint's proposal is equitable, and clearly sets forth in the parties' Agreement the response times for situations involving multiple requests for space availability reports.

ISSUE NO. 21: Attachment 4, Collocation, Section 2.3 – Denial of Application – BellSouth's provision of full-sized, detailed engineering floor plans and engineering forecasts

28.

Statement of the Issue: Upon denial of Sprint's application for physical collocation in a particular central office, and prior to the walk-through, should BellSouth provide Sprint with full-sized, detailed engineering floor plans and engineering forecasts of the central office in question?

Sprint's Position: Yes, it is essential that Sprint be able to review the full-sized detailed engineering floor plans and engineering forecasts prior to the central office tour in order to make the walk-through a meaningful informational experience.

BellSouth's Position: BellSouth has not agreed to provide these materials prior to the walk-through.

Discussion: FCC Rule 51.321(f) requires ILECs to submit detailed floor plans of central offices where the ILEC claims that physical collocation is not available because of space

exhaustion.[14] Based on the recent past experiences of Sprint personnel, Sprint urges the Commission to require BellSouth to provide full-size (24" by 36") engineering floor plans and detailed engineering forecasts to Sprint upon denial of a collocation request and prior to the central office walk-through. Such information could be made available to Sprint subject to an appropriate confidentiality agreement. Because of the intricate detail included in these floor plans, the availability of smaller-sized, nearly impossible-to-read floor plans prior to the walk through is of little practical value to Sprint personnel. Similarly, Sprint personnel need access to the historical engineering forecast data for the central office in question in order to adequately evaluate any BellSouth proposals to reserve certain central office space for future growth. Without access to these basic materials, no real transferal of information takes place, and the central office walk-through becomes little more than a perfunctory exercise in an attempt to fulfill BellSouth's regulatory obligations. Sprint urges the Commission to adopt its proposed contract language in connection with this issue.

ISSUE NO. 22: Attachment 4, Collocation, Section 2.7 – Priority of space assignment for "space exhausted" Central Offices

29.

Statement of the Issue: Should Sprint be given space priority over other CLECs in the event that Sprint successfully challenges BellSouth's denial of space availability in a given central office, and the other CLECs who have been denied space do not challenge?

Sprint's Position: Yes. It would be inequitable for CLECs that did not contest BellSouth's claims of space exhaust in a particular central office to reap the benefits of Sprint's legal challenge to the detriment of Sprint.
BellSouth's Position: BellSouth's position is to assign space strictly on a "first-come, first served" basis.

Discussion: In the situation where Sprint is on a waiting list with other CLECs for space availability in a given central office, and the Commission accepts Sprint's arguments challenging BellSouth's denial of space for that central office, it is reasonable that Sprint should be given priority of space assignment over other CLECs on the waiting list who chose not to legally challenge BellSouth's denial of space. It would be inequitable in the above described situation for CLECs to ride the legal "coattails" of Sprint and benefit from Sprint's expenditure of resources to the potential detriment of Sprint. Further, such a result might have a chilling effect on Sprint and other CLECs who decide not to challenge a dubious denial of space in a given central office due to the real possibility that such action may not at all benefit the company who mounts the legal challenge, but rather

[14] 47 C.F.R. 51.321(f) provides in part as follows: "An incumbent LEC shall submit to the state commission, subject to any protective order as the state commission may deem necessary, detailed floor plans or diagrams of any premises where the incumbent LEC claims that physical collocation is not practical because of space limitations. . ."

that company's competitors. Sprint requests that the Commission adopt Sprint's proposed language and allow the CLEC who mounts a successful legal challenge to space denials to receive the benefit.

Issue No. 23: Attachment 4, Collocation, Section 5.4 - Demarcation point

30.

Statement of the Issue: Should Sprint have the ability to designate the point of demarcation, in or adjacent to its collocation space, between Sprint's collocated equipment and BellSouth's equipment?

Sprint's Position: Yes. Sprint should also have the option to utilize the Point of Termination ("POT") bay as the point of demarcation if it so chooses.

BellSouth Position: No. BellSouth should be allowed to designate the point of demarcation, and this point of demarcation should be at the conventional distribution frame ("CDF"). Further, POT Bays should not serve as the termination point.

Discussion: Sprint's proposed language would give Sprint as the requesting carrier the ability, if it so chooses, to designate the point of demarcation. Sprint asserts that if it cannot select the most efficient demarcation points, BellSouth will have the incentive and ability to increase Sprint's market entry costs by designating less efficient or more expensive demarcation points than Sprint would have chosen. For instance, BellSouth could designate the point of termination at an intermediate CDF located some distance from Sprint's collocation space. This would cause Sprint to incur additional cabling costs.

Sprint further desires the ability, if it so chooses, to designate the POT bay, frame or digital cross-connect in or adjacent to Sprint's collocation space as the point of demarcation. In its recent Order in the generic collocation proceedings, the Florida Public Service Commission observed that "[a]lthough the FCC prohibits ILECs from requiring POT bays or other intermediate points of interconnection, CLECS are not prohibited from choosing to use them."[15] Accordingly, Sprint urges the Commission to specify that this option is available to Sprint if it so chooses.

Issue No. 24: Attachment 4, Collocation, Section 6.4.1 - Additions and augmentations

31.

[15] See Order, FPSC Dockets 981834-TP, 990321-TP (issued May 11, 2000), (hereinafter "Florida Collocation Order"), at Issue IX, p. 49.

Statement of the Issue: In instances where Sprint desires to add additional collocation equipment that would require BellSouth to complete additional space preparation work, should BellSouth be willing to commit to specific completion intervals for specific types of additions and augmentations to the collocation space?

Sprint's Position: Yes.

BellSouth's Position: In the Georgia arbitration BellSouth's position is "No." BellSouth states that it will have different implementation intervals depending on the type of addition or augmentation, so each one needs to be reviewed individually. Thus, according to BellSouth, each addition or augmentation should be treated in the same manner as a new application. Ultimately, the amount of work and associated time to complete the work depends on the requested change and the central office. The same augmentation work can be done in different central offices and require different infrastructure, building and power jobs to meet the needs of the request. BellSouth has not communicated to Sprint that it has altered its position relative to the Kentucky negotiations.

Discussion: BellSouth should be willing to commit to Sprint's proposed firm provisioning intervals in the situation where Sprint wishes to add equipment to Sprint's existing collocated space that would cause BellSouth to do additional space preparation work. Sprint's proposed language also provides for the manner in which BellSouth will inform Sprint of any additional charges or increases in provisioning time intervals when the changes will require BellSouth to do additional space preparation work. During negotiations, BellSouth has stated that it is not ready to commit to any specific provisioning intervals for additions and augmentations. In the absence of any alternative proposed intervals from BellSouth, Sprint asserts that its proposed intervals are reasonable and urges the Commission to adopt Sprint's proposed contract language.

ISSUE NO. 25: Attachment 4, Collocation, Section 6.9 – Transition from virtual collocation to physical collocation

32.

Statement of the Issue: Are there situations where Sprint should be permitted to convert in place when transitioning from a virtual collocation arrangement to a cageless physical collocation arrangement?

Sprint's Position: Yes. If Sprint does not request any changes to an arrangement other than to transition from virtual to cageless physical collocation, Sprint should be allowed to convert the arrangement in place. Further, BellSouth should not be permitted to charge full application fees in such situations.

BellSouth's Position: BellSouth has rejected Sprint's proposed language and has proposed unreasonable restrictions on Sprint's ability to convert in place.

Discussion: There are no legitimate reasons why BellSouth cannot convert in place Sprint's virtual collocations to cageless physical collocations where Sprint has not requested to add equipment or otherwise change the collocation space. Such conversions in place should also be accomplished without Sprint incurring full application fees. Sprint urges the Commission to adopt Sprint's proposed language.

ISSUE NO. 26: Attachment 8, Rights-of-Way, Conduits, and Pole Attachments, Sections 6.2, 9.5: Payment in advance for make-ready work performed by BellSouth

33.

Statement of the Issue: Should Sprint be required to pay the entire cost of make-ready work prior to BellSouth's satisfactory completion of the work?

Sprint's Position: It is customary in situations involving construction-related work for payment or a portion thereof, to be due upon satisfactory completion of the work.

BellSouth's Position: Sprint must pay for all make-ready work in advance. BellSouth will not schedule the work to be performed until payment is received.

Discussion: By seeking to make Sprint pay for make-ready work entirely in advance, BellSouth would arbitrarily deprive Sprint of its primary recourse in the event that the work is not performed in a satisfactory manner. Sprint has offered to pay for half of the estimated costs in advance and the remainder upon completion of the work to Sprint's satisfaction, but BellSouth has rejected this reasonable alternative language. Sprint's request is reasonable, and Sprint requests that the Commission adopt Sprint's proposed language.

ISSUE NO. 27: Attachment 9, Performance Measurements, Section 3.3.1 -- Benchmark Based on BellSouth Affiliate Performance

34.

Statement of the Issue: Should the Agreement contain a provision stating that if BellSouth has provided its affiliate preferential treatment for products or services as compared to the provision of those same products or services to Sprint, then the applicable standard (i.e., benchmark or parity) will be replaced for that month with the level of service provided to the BellSouth affiliate?

Sprint's Position: Yes, it is appropriate to require BellSouth to provide to Sprint the identical standard of service that it provides to: a) its affiliate; or b) its retail end-user, whichever level of service is better.

BellSouth's Position: No. BellSouth wishes to address all remedies-related provisions in connection with its VSEEM III penalties proposal.

Discussion: BellSouth's parity obligations under the Act require that BellSouth provide the same quality of service to its competitors as it provides to itself. See FCC Rule 51.305(a): "An incumbent LEC shall provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the incumbent LEC's network: . . . 3) that is at a level of quality that is equal to that which the incumbent LEC provides itself, a subsidiary, an affiliate, or any other party. . ." (emphasis added). See also 47 U.S.C. 251(c)(3), which articulates BellSouth's obligation under the Act to provide nondiscriminatory access to UNEs. In those situations where BellSouth is providing a superior level of service to its affiliates or retail end-users, the only real way in which to ensure that BellSouth is meeting its parity obligations and actually providing nondiscriminatory access to UNEs is to require BellSouth to provide CLECs with the identical level of service as BellSouth provides to its affiliates or retail end-users.

For purposes of measuring BellSouth affiliate performance, Sprint believes that "affiliate" should be defined as provided in 47 U.S.C. 153: "The term "affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent."

If this Commission concludes that BellSouth has provided its affiliate or retail end-user preferential treatment of products/services over those same products/services provided to any CLEC, then the parties' Agreement should provide that the standard, either parity or a benchmark, should be replaced for that month with the level of service provided to the BellSouth affiliate or retail end-user. This revised affiliate-based standard should be used to calculate all applicable penalties. During negotiations, BellSouth, without a great deal of comment, rejected Sprint's proposal, stating simply that all remedies-related contract language should be discussed in connection with BellSouth's VSEEM III penalties proposal. Sprint urges the KPSC to adopt Sprint's language and make parity in this instance a tangible requirement for BellSouth.

ISSUE NO. 28: Attachment 9, Performance Measurements, Section 5.9 -- Disaggregation of Measurement Data

35.

Statement of the Issue: Should BellSouth geographically disaggregate its measurement data consistent with the geographic units that BellSouth currently utilizes when producing external or internal performance related reports in Kentucky, and, if BellSouth has not established geographical units in Kentucky smaller than state-wide reporting, should Metropolitan Statistical Area ("MSA") level reporting be the default level of geographic disaggregation?

Sprint's Position: Yes, the Commission should require BellSouth to disaggregate its measurement data consistent with the manner in which it geographically disaggregates its other external or internal performance-related reports. If no such smaller unit of geographic disaggregation is utilized in Kentucky, the Commission should require BellSouth to disaggregate data on the MSA level.

BellSouth's Position: In connection with the Georgia negotiations, BellSouth contends that state level reporting is the appropriate default level of geographic disaggregation. BellSouth has not communicated to Sprint that it has altered its position relative to the Kentucky negotiations.

Discussion: Sprint strongly believes that performance measurements reporting on the basis of a smaller geographic unit than an entire state is critical in order for CLECs such as Sprint to effectively evaluate whether BellSouth is providing nondiscriminatory interconnection and access to unbundled network elements. To the extent that BellSouth has not established such reporting subdivisions, reporting at the MSA level is an appropriate default. In the Louisiana Commission's interim Order in connection with the pending performance measurements proceedings, the LPSC required BellSouth "to report its performance measurements at the regional, state, and MSA." [16]

ISSUE NO. 29: Attachment 9, Performance Measurements, Section 6 – Audits

36.

Statement of the Issue: Should the Agreement include BellSouth's limited performance measurements audit proposal that provides for one annual, aggregate level audit, as reflected in Appendix C of BellSouth's current Service Quality Measurement ("SQM") document?

Sprint's Position: No. Sprint's proposal, which provides for an initial comprehensive audit, and up to three "mini-audits" per year, more realistically provides the scope, level and frequency of performance-related data so that Sprint can accurately verify whether BellSouth is providing nondiscriminatory interconnection and access to unbundled network elements.

BellSouth's Position: Yes, BellSouth's annual audit proposal as reflected in the SQM is a sufficient audit mechanism.

Discussion: BellSouth's currently proposed audit mechanism is woefully inadequate and will not provide the detailed, comprehensive data that CLECs such as Sprint need in order to adequately assess whether BellSouth is providing nondiscriminatory

[16] General Order, LPSC Docket U-22252, Subdocket C (issued August 31, 1998), at 2.

interconnection and access to UNES. Moreover, BellSouth's proposed language appears to bestow upon BellSouth the very broad right to make unilateral changes to its audit plan "as growth and changes in the industry dictate." Sprint's proposal provides for an "initial audit" that would include an evaluation of the systems and procedures associated with the compilation and reporting of performance measurements data. BellSouth would pay for the services of an independent auditor to complete the initial audit.

Under certain circumstances, Sprint would also have the right to conduct up to three "mini-audits" of individual performance measures and or sub-measures during the calendar year. As the Louisiana Commission Staff notes in its Initial Recommendation in the pending performance measurements docket, the LPSC currently requires BellSouth to conduct CLEC-requested audits within 15 days of receiving a written request.[17] Sprint's proposed "mini audits" would be based on at least two months of data or raw data supporting the performance measurements results in question. Under Sprint's language, Sprint would in most cases pay for the costs of the independent auditor performing the "mini-audit" (unless, e.g., BellSouth is found to have materially misrepresented data). Sprint respectfully submits that its proposed audits mechanism will provide Sprint with the assessment tools it needs in order to adequately determine whether BellSouth is fulfilling its parity obligations under the Act.

ISSUE NO. 30: Attachment 9, Performance Measurements, Sections 1, 7 – Availability and Effective Date of BellSouth's VSEEM III Remedies Proposal

37.

Statement of the Issue: Should the availability of BellSouth's VSEEM III[18] remedies proposal to Sprint and the effective date of VSEEM III be tied to the date that BellSouth receives interLATA authority for the jurisdiction in question?

Sprint's Position: No.

BellSouth's Position: Yes. BellSouth's offer of the VSEEM III remedies proposal to Sprint is contingent upon Sprint's acceptance of BellSouth's proposed effective date.

Discussion: The FCC's ultimate approval or rejection of BellSouth's application for Section 271 relief for the jurisdiction in question has little or nothing to do with establishing appropriate performance measures and associated penalties, and thereby verifying BellSouth's nondiscriminatory provision of interconnection and access to

[17] Staff Initial Recommendation, LPSC Docket No. U-22252, Subdocket C, at 227. The LPSC Staff also recommends that there be no restrictions on the number of individual audits that a CLEC may request. Id., at 228.

[18] The "VSEEM" acronym invented by BellSouth stands for "Voluntary Self-Effectuating Enforcement Mechanisms".

unbundled network elements to Sprint and other CLECs. Without the ready availability of an adequate performance measurement plan and associated penalties, there is little incentive for BellSouth to provide parity performance. In traditional business relationships, a company which cannot obtain favorable terms from one supplier can select another that will better accommodate its requirements. In contrast, Sprint and other CLECs are in the very difficult position of having only one supplier choice for significant portions of the network and service infrastructure required to provide local exchange service. When a CLEC is unable to obtain commitments from BellSouth for the performance requirements that the CLEC's business demands, there is no alternative source with which to negotiate. This makes the Commission's role in providing for an appropriate penalties plan even more important in that the remedies adopted must properly motivate the monopoly supplier, BellSouth, to provide parity performance to Sprint and other CLECs.

The Commission should summarily reject BellSouth's attempt to link interLATA relief with the availability of appropriate remedies to Sprint for poor performance. In its Initial Recommendation in the pending performance measurements docket, the Louisiana Commission Staff has recommended that a variant of BST's VSEEM III plan go into effect three months after the LPSC issues an Order.[19] BellSouth has completely refused to negotiate the particulars of its remedies plan with Sprint unless Sprint agrees to BellSouth's unreasonable and self-serving proposed effective date for the plan. Accordingly, Sprint requests that the KPSC adopt Sprint's proposed revisions to Section 7 of Attachment 9 and require BellSouth to make VSEEM III available to Sprint upon the Commission's adoption of the arbitrated agreement between the parties, irregardless of the date that BellSouth receives interLATA authority in Kentucky.

ISSUE NO. 31: Attachment 9, Performance Measurements, Section 5.1; Exhibits B and C ("Statistical Methods" and "Technical Descriptions") – Application of statistical methodology to Service Quality Measurements ("SQM") document.

38.

Statement of the Issue: Should BellSouth be allowed to omit the statistical methodology in Exhibits B and C from its SQM performance measures provided to Sprint?

Sprint's Position: No. Without the application of BellSouth's statistical methodology to the SQM set of measures, Sprint will have no way to accurately determine whether there are statistically significant differences between BellSouth's performance when provisioning service to its own retail customers and affiliates and its performance to Sprint.

[19] Id., at 71.

BellSouth's Position: Yes. The statistical methodology contained in Exhibits B and C are part of and were developed in connection with the VSEEM III set of remedy measures. Since BellSouth will not discuss the VSEEM III remedy plan with Sprint unless Sprint agrees with BellSouth's proposed effective date for the remedy plan, BellSouth also will not discuss or offer the statistical methodology included in Exhibits B and C.

Discussion: During recent negotiations, Sprint discovered that BellSouth does not intend to offer the statistical methodology contained in Exhibits B and C to Sprint. It is BellSouth's position that Exhibits B and C are part of and were developed in connection with BellSouth's VSEEM III remedy plan that BellSouth has withdrawn from discussion between the parties unless or until Sprint consents to BellSouth's proposed effective date for the VSEEM III plan (see above). This position is illogical. BellSouth has offered to Sprint the SQM set of performance measures contained in Exhibit A of Attachment 9, and Sprint contends that those measures are largely meaningless unless Sprint can employ mutually agreed upon statistical techniques in order to determine whether there are statistically significant differences between BellSouth's performance when provisioning service to its own retail customers and affiliates and its performance to Sprint. Sprint requests that the KPSC require BellSouth to provide the Statistical Methods and Technical Descriptions in Exhibits B and C, respectively, in conjunction with the SQM measures contained in Exhibit A.

CONTRACT PROVISIONS CURRENTLY UNDER NEGOTIATION

39.

As indicated earlier, Sprint and BellSouth are continuing to negotiate issues. The status of most of these remaining issues can be accurately described as a matter of drafting mutually acceptable contract language or the parties further considering their respective positions. Sprint has identified the contract provisions it believes to be remaining open between the parties at this time in Exhibit "B" to this Petition, and has summarized the subject matter and status for each of these open issues. These open contract provisions are numbered in Exhibit "B" from 32 to 71, consecutively. As well as the issues discussed above, Sprint also requests arbitration of the open issues in Exhibit "B". Many of the issues in Exhibit "B", however, should be resolved prior to the hearing in connection with this matter.

ISSUES DISCUSSED AND RESOLVED BY THE PARTIES

40.

Sprint and BellSouth have reached agreement on some issues, as should be indicated in the official version of the draft interconnection Agreement to be filed by BellSouth in this matter. If BellSouth disagrees with the status of any issues currently indicated as agreed,

or if Sprint disagrees with the wording that purportedly reflects the agreement of the parties in the official version of the draft interconnection Agreement to be filed by BellSouth, Sprint respectfully reserves the right to seek arbitration of any such additional issues.

CONCLUSION AND REQUEST FOR RELIEF

41.

WHEREFORE, in recognition of the foregoing arguments and positions set forth herein and in the Exhibits attached hereto, Sprint requests that the KPSC require BellSouth to agree to the terms and conditions proposed by Sprint as reflected herein and in the draft interconnection agreement between the parties. Sprint respectfully requests that the Commission take the following action with regard to this Petition:

a) arbitrate the unresolved issues between Sprint and BellSouth as described herein and in Exhibit "B";
b) issue an Order requiring BellSouth to comply with all terms and conditions advocated by Sprint as set forth herein;
c) issue a procedural Order establishing a schedule for discovery, the filing of Direct and Rebuttal Testimony, a Prehearing Conference, Hearings, and Briefs of the parties; and
d) grant such further relief as the Commission deems just and proper.

Respectfully submitted this 25th day of October, 2000.

William R. Atkinson
Benjamin W. Fincher
Sprint
3100 Cumberland Circle
Atlanta, Georgia 30339
(404) 649-6221
(404) 649-5174 (facsimile)

-and-

John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, Kentucky 40601
(502) 227-7270

(502) 875-7059 (facsimile)

Attorneys for Sprint Communications Company L.P.

SPRINT/BST KY. OPEN ISSUES MATRIX

10/25/2000

Issue	Attachment	Section	Description	Status
32	Terms and Conditions	Part B	Definitions	Open - Most definitions agreed to - Parties offering competing language for some definitions
33	Attachment 2 - Network Elements and Other Services	7.2.1.2	Unbundled Sub-Loop	Open. BellSouth SMEs to review Sprint's proposed changes.
34	Attachment 2 - Network Elements and Other Services	8	High Frequency Spectrum Network Element	Open to Sprint review of BellSouth language.
35	Attachment 2 - Network Elements and Other Services	13	Enhanced Extended Link ("EEL")	Sprint review of BellSouth's proposed EELs section (including rates).
36	Attachment 2 - Network Elements and Other Services	13.4	Special access service conversions	Open. Sprint to review BST's proposed language.
37	Attachment 2 - Network Elements and Other Services	14	Loop/port combinations	Open to Sprint review of BellSouth's proposed Loop/Port Combination section.
38	Attachment 2 - Network Elements and Other Services	15.4.4.2	Branding - selective routing	Open. BellSouth to send revised language incorporating Sprint's request to use Sprint "sparkle tone".
39	Attachment 2 - Network Elements and Other Services; Attachment 3 - Network Interconnection; Attachment 5 - Access to Numbers and Number Portability	Att. 2, Sec. 22.3; Att. 3, Sec. 6.6; Att. 5, Sec. 8	True-up	Open. BellSouth reviewing Sprint-proposed revisions.

SPRINT/BST KY. OPEN ISSUES MATRIX

10/25/2000

Issue	Attachment	Section	Description	Status
40	Attachment 2 - Network Elements and Other Services	Exhibit C	UNE Rates	Open to Sprint review. BST to provide requested information to Sprint.
41	Attachment 3 - Network Interconnection	1; 2.7	Virtual Point of Interconnection	Disagree.
42	Attachment 3 - Network Interconnection	2.8.7 - 9	Interconnection trunking	Open to Sprint review
43	Attachment 3 - Network Interconnection	2.8.9.2	SuperGroup Interconnection Trunking	Open. Sprint considering language regarding trunk compensation proposal.
44	Attachment 3 - Network Interconnection	6.1.6	Call transport and termination for local traffic when Sprint utilizes a switch outside the LATA	Disagree.
45	Attachment 3 - Network Interconnection	6.1.8 - 10	Call transport and termination for local traffic when NPA/NXXs assigned to users outside the LATA	Disagree.
46	Attachment 3 - Network Interconnection	5.7.1	Definition of intraLATA toll traffic	Open. BellSouth to consider Sprint's new proposed definition
47	Attachment 3 - Network Interconnection	5.8.7	Switched access traffic -- delivery only over switched access trunks and facilities	Disagree.

SPRINT/BST KY. OPEN ISSUES MATRIX

10/25/2000

Issue	Attachment	Section	Description	Status
48	Attachment 3 - Network Interconnection	5.9	Transit Traffic Service	Parties negotiating language.
49	Attachment 3 - Network Interconnection	Exhibit A	Local Interconnection Rates	Open to Sprint Review
50	Attachment 4 - Physical Collocation	2.5	Notification process when new space becomes available	BellSouth to propose alternative language for 2.5.
51	Attachment 4 - Physical Collocation	6.8	Space preparation	Open -- Sprint to review standardized space preparation rates and language.
52	Attachment 4 - Physical Collocation	7	Rates and Charges	Open.
53	Attachment 4 - Physical Collocation	Exhibit A	Rates for Physical Collocation	Open for Sprint's review.
54	Attachment 4 -- Physical Collocation	Exhibit B, Sec. 1.5	Environmental and Safety Principles	Open for Bellsouth to consider Sprint's proposal.
55	Remote Site Collocation		Remote Site Collocation	Open/disagree. Open to both Parties. Since these provisions are structured similar to main Attachment, the same basic disagrees exist as in main Attachment 4 (e.g., intervals, application response time)

SPRINT/BST KY. OPEN ISSUES MATRIX

10/25/2000

Issue	Attachment	Section	Description	Status
56	Attachment 4A - Virtual Collcation		Inclusion of Rates, Terms and Conditions for Virtual Collocation	Open to Sprint to draft language for new Attachment .
57	Attachment 5 - Access to Numbers and Number Portability	6.2	Permanent Number Solution -- guidelines in BST Local Number Portability Ordering Guide for CLECs	OK as modified subject to check
58	Attachment 5 - Access to Numbers and Number Portability	6.2.4	Permanent Number Solution -- customer support for PNP requests	OK as modified subject to Sprint check
59	Attachment 5 - Access to Numbers and Number Portability	7.1.1	Coordinated cutovers	Open to Sprint - Sprint to propose alternative language.
60	Attachment 5 - Access to Numbers and Number Portability	7.4	Engineering and Maintenance	Open to Sprint.
61	Attachment 5 - Access to Numbers and Number Portability	Exhibit A	Number Portability Rates	Open to Sprint review
62	Attachment 6 - Ordering and Provisioning	3.2	Single Point of Contact - Loss Notification Reports	Open to Sprint .
63	Attachment 6 - Ordering and Provisioning	3.7	Acknowledgement receipts for interface network processing	Open to BellSouth and Sprint; BellSouth to propose language in response to Sprint proposed language

SPRINT/BST KY. OPEN ISSUES MATRIX

10/25/2000

Issue	Attachment	Section	Description	Status
64	Attachment 6 - Ordering and Provisioning	3.8 - 3.20	Miscellaneous ordering and provisioning guidelines	New Sections open to Sprint and BST review.
65	Attachment 6 - Ordering and Provisioning	Exhibit A	OSS Rates Table	Open to Sprint review.
66	Attachment 7 - Billing and Billing Accuracy Certification	Exhibit A	ODUF/EODUF/ADUF/ CMDS Rates	Open to Sprint review.
67	Attachment 9 - Performance measurements	2.1	Reporting	Open/disagree for BST to consider.
68	Attachment 9 - Performance measurements	7	Enforcement mechanisms	All of Section 7 open .
69	Attachment 9 - Performance measurements	Exhibit D	BST VSEEM Remedy Procedure	Open.
70	Attachment 9 - Performance measurements	Exhibit A	SQM	Open.
71	Attachment 9 - Performance measurements	5.1	Business Rules	Open to Sprint to review BST's language