

the event the Commission does not issue its order prior to January 1, 1998, or if the parties continue to negotiate the interconnection arrangements beyond January 1, 1998, the parties stipulate and agree that the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the parties, will be effective retroactive to January 1, 1998. Until the revised interconnection arrangements become effective, the parties shall continue to exchange traffic on a reciprocal basis pursuant to the terms of this Stipulation and Agreement.

B. Unbundling and Resale of Local Exchange Telecommunications Company Network Features, Functions and Capabilities - Docket No. 950984-TP

Section 364.161, Florida Statutes, requires each LEC, upon request, to unbundle each of its network features, functions and capabilities, including access to signaling data-bases, systems and routing process, and offer them to any other telecommunications provider requesting such features, functions or capabilities for resale to the extent technically and economically feasible and at prices that are not below cost. The statute also requires that the parties first negotiate the terms, conditions and prices of any feasible unbundling request. If the parties cannot reach a satisfactory resolution within 60 days, either party may petition the Commission to arbitrate the dispute and the Commission shall make a determination within 120 days.

The undersigned parties have now satisfactorily resolved the terms, conditions and prices of those network features, functions and capabilities that are technically and economically feasible of unbundling as set forth in Attachment D which is incorporated herein by reference. It is understood by the parties that the list of network features,

functions and capabilities is not exhaustive and the parties commit to cooperate in the negotiation of additional network features, functions and capabilities as the parties' future needs require.

The parties acknowledge that the provisions of Chapter 364, Florida Statutes, relating to the unbundling and resale of facilities and services, reflect a thoughtfully crafted and well-balanced approach to the introduction of local exchange competition, and the parties therefore commit that these provisions will be fairly and equitably implemented and adhered to in order to effectuate and remain consistent with legislative intent. The parties recognize that the application of current tariffed prices for resale purposes will not be inconsistent with this commitment. The parties agree that the issue of imputation of LEC unbundled service prices into its retail rates is not addressed by this Stipulation and Agreement, and that the ALECs reserve their right to further address imputation for these services, including unbundled local loops.

C. Universal Service/Carrier of Last Resort - Docket No. 950696-TP

The parties agree that Section 364.025, Florida Statutes, contains a Legislative finding that each telecommunications company should contribute its fair share to the support of the local exchange telecommunications company's universal service/carrier of last resort ("US/COLR") obligations. For a transitional period, the Commission is required to establish an interim US/COLR mechanism for maintaining universal service and funding carrier of last resort obligations, pending the implementation of a permanent mechanism. This interim mechanism is to be implemented by January 1, 1996 and applied in a manner that ensures

that each alternative local exchange company contributes its fair share to the support of the local exchange telecommunications company's US/COLR obligations. The interim mechanism shall reflect a fair share of the LEC's recovery of investment made in fulfilling its COLR obligations and the maintenance of universal service objectives. The statute further provides that the Commission shall ensure that the interim mechanism, which is to remain in effect, if necessary, until the implementation of a permanent mechanism, but not later than January 1, 2000, ensures the maintenance of universal service through a carrier of last resort, but does not impede the development of residential consumer choice or create an unreasonable barrier to competition.

The parties stipulate and agree to the following interim mechanism to assure the provision of universal service through a carrier-of-last-resort. The undersigned parties stipulate and agree that BellSouth will guarantee the provision of universal service as the carrier-of-last-resort throughout its territory until January 1, 1998 without ALEC contributions. Consequently, the undersigned parties agree to jointly request the Commission to accept the agreements contained herein in satisfaction of the issues in Docket No. 950696-TP as they relate to BellSouth and to jointly request the Commission to refrain from rendering any decision in that Docket as it applies to BellSouth.

Notwithstanding the foregoing, if BellSouth subsequently believes that competition is in any way undermining its ability to provide universal service during the duration of this agreement it may petition the Commission to commence a proceeding to quantify the amount of support, if any, needed to maintain universal service. The amount of support needed, if any, and related issues are matters of proof on a case-by-case basis. Moreover, the parties

in no way waive their right to petition the Commission pursuant to Section 364.025(3), Florida Statutes.

The parties urge the Commission to open a separate docket to investigate and recommend to the Legislature what the Commission determines to be a fair and reasonable resolution of the issues surrounding a permanent universal service mechanism pursuant to s. 364.025(4), Florida Statutes. The undersigned parties also agree to use their best efforts to persuade the Commission and the Legislature to resolve the issues surrounding the establishment of a permanent US/COLR recovery mechanism at the earliest possible date; provided, however, that such efforts shall not be construed or used as an admission by the undersigned parties concerning the existence of or need for a subsidy, the necessity for a permanent US/COLR recovery mechanism, or the appropriate methodology for determining a provider's fair share of contribution, if any, under a permanent mechanism.

D. Temporary Telephone Number Portability - Docket No. 950737-TP

At the Commission's regular agenda conference held on September 12, 1995, the Commission approved the Stipulation and Agreement of the parties to Docket No. 950737-TP, which addressed every issue relating to the implementation of a temporary telephone number portability solution, except the price to be charged for the temporary telephone number portability solution, the advantages and disadvantages of Remote Call Forwarding, and the treatment of terminating access charges on a ported call. The undersigned parties agree that the Commission-approved Stipulation and Agreement shall be incorporated herein by reference and be attached to this Stipulation and Agreement as Attachment E .

With regard to the price to be paid for remote call forwarding between carriers, which is the temporary telephone number portability solution to be implemented January 1, 1996, the undersigned parties agree to pay a recurring charge as follows: \$1.25 per line per month per residential customer for one path and \$1.50 per line per month per business customer for one path. For additional paths, the undersigned parties agree to pay \$.50 per month, per additional path per residential customer and \$.50 per month, per additional path per business customer, with no additional non-recurring charge if the additional path is ordered at the same time as the first path. The undersigned parties further agree to pay a non-recurring charge of no more than \$25.00 per order for multiple residential or business lines placed on the same order in a single exchange.

The temporary number portability charges listed above shall also apply whenever a BellSouth customer switches to an ALEC and changes her location within the same BellSouth central office. The same charges will apply when an ALEC customer switches to BellSouth and changes her location within the same ALEC central office.

For that terminating toll traffic ported to the ALEC which requires use of the BellSouth tandem switching, BellSouth will bill the IXC tandem switching, the residual interconnection charge and a portion of the transport, and the ALEC will bill the IXC local switching, the carrier common line and a portion of the transport. If BellSouth is unable to provide the necessary access records to permit the ALECs to bill the IXCs directly for terminating access to ported numbers, then the parties agree to work cooperatively to develop a surrogate method to approximate the access minutes, and a settlement process with BellSouth to recover those access revenues due it as a co-provider of access services to

IXCs. During the interim, while the surrogate is being developed, BellSouth will bill the IXC full terminating switched access charges, keep the residual interconnection charge, tandem switching and a portion of transport, and remit the local switching, a portion of transport and CCL revenues to the ALEC. If a BellSouth intraLATA call is delivered to the ALEC, BellSouth will pay the ALEC terminating access rates.

In the event that an ALEC and the interexchange carriers have direct connections (i.e., no BellSouth tandem is involved) for all traffic except for terminating traffic through remote call forwarding (necessitating the inclusion of a BellSouth tandem), then all access revenues associated with these calls will be due to the ALEC. The company switching a call on a ported number agrees to pass through all terminating intrastate toll switched access revenues associated with those calls to the company to which the number is ported. This includes intraLATA toll calls from a BellSouth customer to a ported BellSouth number that terminates to an ALEC.

E. Resolution of Disputes

The undersigned parties agree that if any dispute arises as to the interpretation of any provision of this Stipulation and Agreement or as to the proper implementation of any of the matters agreed to in this Stipulation and Agreement the parties will petition the Commission for a resolution of the dispute. However, each undersigned party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Stipulation and Agreement.

F. Duration

This Stipulation and Agreement takes effect on January 1, 1996, and remains in effect until each of the matters and issues addressed herein has been implemented or resolved as contemplated by the undersigned parties or as modified by mutual consent of the parties.

G. Representations

Each person signing this Stipulation and Agreement represents that he or she has the requisite authority to bind the party on whose behalf the person is signing. By signing this Stipulation and Agreement, each undersigned party represents that it agrees to each of the stipulations and agreements set forth herein. In the event there are parties to the aforementioned dockets that do not sign this Stipulation and Agreement, the comprehensive resolution of the issues set forth in this Stipulation and Agreement shall, nonetheless, be binding upon the undersigned parties. Each undersigned party commits to use its best efforts to persuade the Commission, prior to and during the hearings scheduled in the aforementioned dockets, to accept the stipulations agreed to by the undersigned parties. The undersigned parties further agree that, in the event the Commission does not adopt this Stipulation and Agreement in its entirety, the Stipulation and Agreement shall not be binding upon the parties. The undersigned parties further agree to request the Commission to keep open Docket No. 950696-TP solely for the purpose of implementing the proposed interim US/COLR mechanism contained in this Stipulation and Agreement. The parties further request the opening of a separate docket in the Commission's effort to satisfy the Legislature's mandate to research the issue of a permanent US/COLR mechanism and

recommend what the Commission determines to be a reasonable and fair mechanism for providing to the greatest number of customers basic local exchange telecommunications service at an affordable price.

H. Limitation of Use

The undersigned parties understand and agree that this Stipulation and Agreement was entered into to resolve issues and matters which are unique to the State of Florida because of regulatory precedent and legislative requirements. The undersigned parties therefore agree that none of the agreements and stipulations contained herein shall be proffered by an undersigned party in another jurisdiction as evidence of any concession or as a waiver of any position taken by another undersigned party in that jurisdiction or for any other purpose.

I. Waivers

Any failure by any undersigned party to insist upon the strict performance by any other entity of any of the provisions of this Stipulation and Agreement shall not be deemed a waiver of any of the provisions of this Stipulation and Agreement, and each undersigned party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Stipulation and Agreement.

J. Governing Law

This Stipulation and Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without regard to its conflict of laws principles.

K. Purposes

The undersigned parties acknowledge that this Stipulation and Agreement is being entered into for the purposes of facilitating the introduction of local exchange competition; complying with the requirements of Florida Chapter Law 95-403 with respect to negotiating the matters at issue in Docket Nos. 950737-TP, 950985A-TP, and 950985D-TP; and in order to avoid the expense and uncertainty inherent in resolving the matters at issue in Docket No. 950696-TP. Neither this Stipulation and Agreement nor any action taken to reach, effectuate or further this Stipulation and Agreement may be construed as, or may be used as an admission by or against any party. Entering into or carrying out this Stipulation and Agreement or any negotiations or proceedings related thereto, shall not in any event be construed as, or deemed to be evidence of, an admission or concession by any of the undersigned parties, or to be a waiver of any applicable claim or defense, otherwise available, nor does it indicate that any party other than BellSouth believes that a universal service "subsidy" exists or is necessary.

M. Arm's Length Negotiations

This Stipulation and Agreement was executed after arm's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Stipulation and Agreement is in the best interests of all the undersigned parties.

N. Joint Drafting

The undersigned parties participated jointly in the drafting of this Stipulation and Agreement, and therefore the terms of this Stipulation and Agreement are not intended to be construed against any undersigned party by virtue of draftsmanship.

O. Single Instrument

This Stipulation and Agreement may be executed in several counterparts, each of which, when executed, shall constitute an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Stipulation and Agreement has been executed as of the 7th day of December, 1995, by the undersigned representatives for the parties hereto.

Florida Cable Telecommunications Association, Inc.

BellSouth Telecommunications, Inc.

By: Stan E. Wilk
Authorized Representative

By: [Signature]
Authorized Representative

Continental Cablevision, Inc.

By: _____
Authorized Representative

Time Warner AXS/Digital Media Partners

By: _____
Authorized Representative

Teleport Communications Group, Inc.

By: _____
Authorized Representative

IN WITNESS WHEREOF, this Stipulation and Agreement has been executed as of the 7th day of December, 1995, by the undersigned representatives for the parties hereto.

Florida Cable Telecommunications Association, Inc.

BellSouth Telecommunications, Inc.

By: Steve E. Williams
Authorized Representative

By: [Signature]
Authorized Representative

Continental Cablevision, Inc.

By: _____
Authorized Representative

Time Warner AXS/Digital Media Partners

By: Jim Michael Butler
Authorized Representative

Teleport Communications Group, Inc.

By: _____
Authorized Representative

IN WITNESS WHEREOF, this Stipulation and Agreement has been executed as of the ___ day of _____, 1995, by the undersigned representatives for the parties hereto.

Florida Cable Telecommunications Association, Inc.

BellSouth Telecommunications, Inc.

By: _____
Authorized Representative

By: _____
Authorized Representative

Continental Cablevision, Inc.

By:  _____
Authorized Representative

Time Warner AXS/Digital Media Partners

By: _____
Authorized Representative

Teleport Communications Group, Inc.

By: _____
Authorized Representative

By: _____
Authorized Representative

ATTACHMENT A

**BELLSOUTH SWITCHED ACCESS RATE ELEMENTS AND RATE LEVELS
AS OF JANUARY 1, 1996**

Rate Elements	Rate Levels as of January 1, 1996
Transport ¹	
DS1 Local Channel - Entrance Facility	\$0.00062
Switched Common Transport per minute of use per mile	\$0.00004
Facilities Termination per MOU	\$0.00036
Access Tandem Switching	\$0.00074
Local Switching	<u>\$0.00876</u>
	\$0.01052

¹ Assumptions:

- Tandem Connection with Common Transport
- No Collocation
- DS1 local channel @ 9000 minutes per month and 24 voice grade equivalents

ATTACHMENT B

EXAMPLE OF "5% CAP"

Case 1:

BellSouth terminates 10,000
min. to ALEC X

ALEC X bills BellSouth for
10,000 min.

ALEC X terminates 15,000
min. to BellSouth

BellSouth bills ALEC X for
10,500 min. (10,000 + 5%)

Case 2:

BellSouth terminates 15,000
min. to ALEC X

ALEC X bills BellSouth for 10,500
min. (10,000 + 5%)

ALEC X terminates 10,000
min. to BellSouth

BellSouth bills ALEC X for 10,000
min.

Case 3:

BellSouth terminates zero
min. to ALEC X

ALEC X bills BellSouth zero

ALEC X terminates 10,000
min. to BellSouth

BellSouth bills ALEC X zero

Case 4:

BellSouth terminates 10,000
min. to ALEC X

ALEC X bills BellSouth zero

ALEC X terminates zero
min. to BellSouth

BellSouth bills ALEC X zero

Case 5:

BellSouth terminates 10,000 min. to ALEC X

ALEC X bills BellSouth for 10,000 min.

ALEC X terminates 10,200 min. to BellSouth

BellSouth bills ALEC X for 10,200 min. (difference is less than cap)

Case 6:

BellSouth terminates 10,200 min. to ALEC X

ALEC X bills BellSouth for 10,200 min. (difference is less than cap)

ALEC X terminates 10,000 min. to BellSouth

BellSouth bills ALEC X for 10,000 min.

Case 7:

BellSouth and ALEC X both terminate 10,000 min. to each other

ALEC X and BellSouth both bill each other 10,000 min.

ATTACHMENT C

**BELLSOUTH FLORIDA - INTRASTATE
SWITCHED ACCESS**

Rate Elements	Rates as of January 1, 1996
Carrier Common Line	
Originating	\$0.01061
Terminating	\$0.02927
Transport ¹	
DS1 Local Channel - Entrance Facility	\$0.00062
Residual Interconnection	\$0.005159
Switched Common Transport per minute of use per mile	\$0.00004
Facilities Termination per MOU	\$0.00036
Access Tandem Switching	\$0.00074
Local Switching 2	\$0.00876

¹ Assumptions:

- Tandem Connection with Common Transport
- No Collocation
- DS1 local channel @ 9000 minutes per month and 24 voice grade equivalents

ATTACHMENT D

UNBUNDLED NETWORK FEATURES, FUNCTIONS AND CAPABILITIES

The parties to the Stipulation and Agreement have negotiated the following additional terms, conditions and prices relating to unbundled network features, functions and capabilities :

(1) Access to 911/E911 Emergency Network.

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

For E911 service, the ALEC will connect the necessary trunks to the appropriate E911 tandem, including the designated secondary tandem. If a

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

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

In some instances BellSouth is responsible for maintenance of the E911 data-base and is compensated for performing these functions by either the municipality or the ALEC - for maintaining the ALEC's information. In no event, however, shall BellSouth be entitled to compensation from both parties for the same function.

(2) Directory Listings and Directory Distribution.

BellSouth will include ALEC's customers' primary listings in the white page (residence and business listings) and yellow page (business listings) directories.

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

(3) IntraLATA 800 Traffic.

BellSouth will compensate ALECs for the origination of 800 traffic terminated to BellSouth pursuant to the ALEC's originating switched access charges, including the data-base query. The ALEC will provide to BellSouth the appropriate records necessary for BellSouth to bill its customers. The records will be provided in a standard ASR/EMR format for a fee of \$0.015 per record. At such time as an ALEC elects to provide 800 services, the ALEC will reciprocate this arrangement. Should BellSouth be permitted to provide interLATA 800 services prior to the expiration of this Stipulation and Agreement, BellSouth will be responsible for compensating the ALEC for the origination of such traffic as well on the same terms and conditions as described above.

(4) Number Resource Administration.

BellSouth agrees to sponsor any ALEC which makes a request and assist the ALEC in obtaining RAO codes, and any other billing and accounting codes necessary for the provision of local telephone numbers within BellSouth jurisdiction.

(5) Busy Line Verification/Emergency Interrupt Services.

BellSouth and the ALECs shall mutually provide each other busy line verification and emergency interrupt services pursuant to tariff.

(6) Network Design and Management.

BellSouth and the ALECs will work cooperatively to install and maintain reliable interconnected telecommunications networks. A cooperative effort will include, but not be limited to, the exchange of appropriate information concerning network changes that impact services to the local service provider, maintenance contact numbers and escalation procedures. The interconnection of all networks will be based upon accepted industry/national guidelines for transmission standards and traffic blocking criteria. BellSouth and the ALECs will work cooperatively to apply sound network management principles by invoking appropriate network management controls, i.e., call gapping, to alleviate or prevent network congestion. It is BellSouth's intention not to charge rearrangement, reconfiguration, disconnect, or other non-recurring fees

associated with the initial reconfiguration of each carrier's interconnection arrangements. However, each ALEC's interconnection reconfigurations will have to be considered individually as to the application of a charge.

(7) CLASS Interoperability.

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

(8) Network Expansion.

For network expansion, BellSouth and the ALECs will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by engineering requirements for both BellSouth and the ALEC. BellSouth and the ALEC are required to provide each other the proper call information (i.e., originated call party

number and destination call party number, CIC, OZZ, etc.) to enable each company to bill accordingly.

(9) Signaling.

In addition to CLASS interoperability, as discussed above, BellSouth will offer use of its signaling network on an unbundled basis at tariffed rates. Signaling functionality will be available with both A-link and B-link connectivity.

(10) Local Loop.

The price of a BellSouth unbundled local loop will be the price set forth in BellSouth's Special Access Tariff.

ATTACHMENT E

STIPULATION AND AGREEMENT

Chapter 364.16(4), Florida Statutes, requires the Florida Public Service Commission to have a temporary service provider number portability mechanism in place on January 1, 1996. The statute further requires industry participants to form a number portability standards group by September 1, 1995 for the purpose of developing the appropriate costs, parameters, and standards for number portability. Negotiating the temporary number portability solution is one task that the group is to perform. This standards group was formed on July 26, 1995, and consists of the members listed on Attachment A to this agreement. If parties are unable to come to agreement on the temporary solution, the Florida Public Service Commission has reserved dates for an evidentiary proceeding under Chapter 120.57, Florida Statutes.

As a result of workshops held by the members of the standards group, an agreement has been reached as to the methods of providing temporary number portability. This Stipulation is entered into by and between the undersigned parties to Docket No. 950737-TP, Investigation into a Temporary Local Telephone Number Portability Solution to Implement Competition in Local Exchange Markets.

The parties agree that Chapter 364.16(4), Florida Statutes, requires a service provider temporary number portability solution. Service provider number portability allows an end user at a given location to change service from a local exchange