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Federal Communications Commission
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Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In the Matter of	)	
	)	
Implementation of the Local Competition Provisions in the Telecommunications Act of 1996	)	CC Docket No. 96-98
	)	
Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers	)	CC Docket No. 95-185

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MFS COMMUNICATIONS COMPANY, INC.
REPLY TO OPPOSITIONS TO
PETITION FOR RECONSIDERATION

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MFS COMMUNICATIONS COMPANY, INC.
REPLY TO OPPOSITIONS TO
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MFS Communications Company, Inc. ("MFS"), by its undersigned counsel, hereby replies to the oppositions filed with the Commission to MFS' Petition for Partial Reconsideration and Clarification of the *First Report and Order* in the above-captioned dockets, FCC 96-325, released August 8, 1996 (the "*1st R&O*").[1]

I. GOOD-FAITH NEGOTIATION REQUIRES THAT INCUMBENT LECs OFFER ARRANGEMENTS THAT COMPLY WITH EFFECTIVE FCC RULES

In its Petition, MFS asked the Commission to reconsider its rules by stating explicitly that an incumbent LEC's failure to offer interconnection, unbundling, or resale arrangements that comply with provision of effective Commission rules would violate the duty to negotiate in good faith pursuant to Section 251(c)(1) of the Act. (MFS Petition at 2-4.) Most incumbent LECs already

[1] Petitions for reconsideration or clarification of the *1st R&O* are cited herein as "Petition"; oppositions and comments in response to those petitions are cited solely by the name of the party filing them.

recognize this obligation—indeed, both GTE (at 4) and Pacific Telesis (at i) expressly state that they will negotiate in good faith pursuant to those portions of the Commission's rules that have not been stayed by the Court of Appeals. The only party to oppose the relief sought by MFS was U S West, which argued that this proposal would somehow infringe its First Amendment rights by limiting its "advocacy" before State commissions. (U S West at 24.)

Curiously, U S West goes out of its way to avoid stating clearly what positions it is "advocating" before State commissions, and how its rights would be affected by a clarification of its duty to negotiate in good faith. The fact is that MFS has not sought in any way to restrict *advocacy* of any position by U S West in any forum. If U S West disagrees with a decision of the Commission and wants to seek reconsideration, judicial review, or any other appropriate form of relief from that decision, it is free to do so. Rather, MFS' Petition seeks to hold U S West or any other incumbent LEC responsible for a willful refusal to negotiate in good faith by refusing to *comply* with the Commission's decisions while those decisions are in effect. In other words, the rule proposed by MFS would regulate the incumbent LEC's conduct, not its advocacy.

To give a concrete example, the Commission earlier this year adopted rules that require incumbent LECs and new entrants to divide the access charges relating to termination of interstate calls via interim number portability arrangements in a manner consistent with the meet-point billing arrangements currently in place among neighboring, non-competing incumbent LECs.[2] This rule has not been stayed by the Commission or any Court of Appeals, and it has become effective pursuant to 47 USC § 408, although petitions for reconsideration and for judicial review are pending. Nonetheless, U S West has refused to sign voluntarily any agreement with a competing local

[2] *Telephone Number Portability,* CC Docket No. 95-116, *First Report and Order,* FCC 96-286, para. 140 (released July 2, 1996).

exchange carrier that provides for distribution of access charges in accordance with this Commission's effective rule (even if that agreement provides for reopening of this issue in the event the rule is changed on reconsideration, judicial review, or otherwise) and has forced MFS and other carriers to arbitrate this issue (among many others) before State commissions, which has contributed to delay in these carriers' market entry and has caused them to incur additional costs.

U S West has an undeniable right under the First Amendment to argue for changes in the Commission's rules, but it also has an undeniable legal duty to comply with those rules unless and until those changes are made. Its refusal to obey valid and effective rules is sheer arrogance, and the Commission should make clear that such refusal will result in serious consequences.[3]

II. UNBUNDLING OF NETWORK ELEMENTS

A. An Unbundled Loop Should Include Access to the Demarcation Point

MFS asked the Commission to clarify that an "unbundled loop" network element, as defined in the *1st R&O*, includes access to the Network Interface Device (NID) at the point of entry to a customer's premises. (MFS Petition at 4-5.) No party appears to oppose this request;[4] AT&T (at 10) and Worldcom (at 14) expressly support it.

Bell Atlantic (at 15) expresses concern that the clarification sought by MFS might require it to install a NID at a customer's premises where no such device is in use today. That was not MFS'

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[3] MFS is not asking the Commission to make any determination regarding U S West's conduct in this rulemaking proceeding. The Commission should establish a rule of general applicability concerning refusals to negotiate in good faith. If U S West continues in its scofflaw behavior after that rule is promulgated, the Commission undoubtedly will be given the opportunity in a subsequent proceeding to make factual findings and determine appropriate remedies.

[4] NYNEX (at 21) says that MFS is seeking to connect its own loop facilities directly to the NID. That is not at all what MFS asked for in its Petition. The MFS Petition clearly addresses only the case where an incumbent LEC's *own* unbundled loop facilities are connected to a NID, so NYNEX's comment is simply irrelevant.

intention. MFS simply seeks clarification that, when MFS or another carrier purchases access to an unbundled loop, this network element will include the use of whatever facilities are necessary to enable the loop to be connected to the customer's inside wiring at the demarcation point, whether this connection is made through a NID or some other facility. Bell Atlantic's comments appear to be consistent with this restated clarification, which should be granted.

B. The Cross-connect Should Be Identified as a Required Network Element

MFS sought clarification that the cross-connect, which paragraph 386 of the *1st R&O* specifically states must be provided by incumbent LECs, should be treated as one of the network elements that incumbent LECs are required to unbundle; and that LEC cross-connect charges may not recover the costs of unnecessary functions such as custom engineering or access to maintenance operating systems. MFS Petition at 8-9. Every party that addressed this request supported it,[5] although US ONE suggests that the cross-connect should be categorized as an integral part of the loop rather than as a separate element.

MFS believes that the cross-connect is more properly classified as a separate network element because it can be used in conjunction with elements other than loops; for example, a cross-connect might also be used to gain access to unbundled ports or inter-office transport. In addition, as suggested by ALTS at 17, separate unbundling of the cross-connect (or of intra-office cabling, distinct from any other functions that an incumbent might seek to bundle with a cross-connection) would allow requesting carriers the option of self-provisioning this facility. Regardless of whether the cross-connect is treated as a separate element or as part of other elements, of course, the same standards for recovery of any costs associated with this function would apply. Since there is no

[5] *See* ALTS at 16-17; AT&T at 9-10; Sprint at 3; TCG at 8-9; US ONE at 6-7; Worldcom at 14.

dispute as to the substance of the clarification sought by MFS, this aspect of the Petition should be granted.

C. The Commission Should Reopen the Issue of Subloop Unbundling

MFS asked the Commission to reconsider its decision to defer consideration of subloop unbundling to a future proceeding. MFS Petition at 9-11; *see also* ALTS Petition at 11-12, MCI Petition at 16-20; Worldcom at 13. The incumbent LECs generally oppose this relief, arguing that petitioners have shown no reason for the Commission to change its decision to delay addressing this issue.[6] To the contrary, both the MFS and MCI Petitions showed that the Commission's stated reasons for refusing to address subloop unbundling at this time were based on incorrect assumptions. None of the incumbent LEC opponents provides any meaningful rebuttal of these arguments.

Some LECs also argue that the Commission should not act on this issue because of the lack of any accepted industry standards for the definition or operation of unbundled subloop elements, or of interfaces to these elements. MFS respectfully submits that the absence of such standards is precisely the reason why this Commission *should* act on this issue as soon as it reasonably can. As long as there are no clear national standards specifying the technical description of and interfaces to subloop elements, the incumbent LECs will have a convenient excuse for rejecting any requests for negotiation of subloop unbundling as being "technically infeasible."[7] MFS again suggests that

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[6] *See, e.g.*, Ameritech at 17-18; Bell Atlantic at 13-15; GTE at 26-27; NYNEX at 25-27; Pacific Telesis at 22-24; SNET at 13-15; Sprint at 3; USTA at 24-25; U S West at 13-14.

[7] At least a few LECs do indicate in their comments that they are willing to negotiate particular subloop unbundling requests on a case-by-case basis, and MFS hopes that they will do so in good faith. Such assurances, however, are of little comfort to any carrier that must negotiate with other incumbent LECs who have no interest in facilitating access to their networks.

the Commission reopen the record on this issue to allow it to determine the extent to which subloop unbundling is feasible and to facilitate the establishment of uniform technical standards.

III. COLLOCATION

A. Collocation of Packet Routers and Remote Switch Modules Should Be Authorized

MFS requested that the Commission clarify its collocation rules by specifically permitting collocation of packet routing equipment and remote switch modules upon request of an interconnecting carrier. MFS Petition at 11-14.[8] A number of incumbent LECs oppose this request by arguing that Section 251(c)(6) only authorizes collocation of equipment "necessary for interconnection or access to unbundled network elements," and that the Commission therefore may not require collocation of equipment that is not "necessary" for these purposes.[9]

The LECs' argument seems to be based on an interpretation of the statute that the Commission expressly (and quite correctly) rejected in para. 579 of the *1st R&O*; *i.e.*, that "necessary" means only equipment that is indispensable for interconnection or unbundled access. It is unquestionably technically possible for carriers to interconnect with incumbent LECs without using RSMs or packet routers, but that is neither the Commission's standard nor a reasonable reading of the statute. The relevant question is whether this equipment will in fact be used for the purposes of interconnection and unbundled access (that is, for transmission and multiplexing rather than switching), and MFS submits that its petition along with AT&T's amply demonstrate that this is the case. These petitions therefore should be granted.

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[8] This request was supported as to RSMs by GCI (at 7). *See also* AT&T Petition at 31-34.

[9] *See, e.g.,* Ameritech at 32-33; Bell Atlantic at 20-21; GTE at 32-33; NYNEX at 14-16; USTA at 33-34.

B. A Virtual Collocation Sale/Buyback Option Should Be Required

MFS requested that the Commission, on reconsideration, require incumbent LECs to offer virtually collocated carriers the option of a "$1 sale/buyback" arrangement for the collocated equipment. MFS Petition at 14-16; *see also* ALTS Petition at 14-15. Under such an arrangement, the requesting carrier supplies equipment to the incumbent LEC for use in the collocation space for a nominal price, and repurchases that equipment (again for a nominal price) when it is no longer needed for that purpose, thereby eliminating the equipment costs that the incumbent would otherwise incur.

This request is supported by AT&T (at 16-17), and opposed only by Southwestern Bell ("SWBT"), which claims that it is willing to negotiate virtual collocation arrangements with other carriers and argues that arbitration should be the forum for resolving disputes over the reasonableness of the terms it offers. As explained in MFS' Petition, however, the absence of any binding national standards for virtual collocation pricing will force carriers into arbitrations (over both physical *and* virtual collocation pricing) that could have been avoided through the "safety valve" of a sale/buyback option. SWBT's opposition, therefore, fails to come to grips with the real issue presented in the MFS and ALTS Petitions.

SWBT claims (at 2-3) that its opposition to a sale/buyback option is based on its desire to recover its costs. There is no doubt that Section 252(d)(1) establishes a standard under which SWBT is entitled to recover legitimate costs of providing either physical or virtual collocation. But SWBT fails entirely to explain how its recovery of costs would be impeded under an arrangement that *eliminates* one component of costs (the purchase of equipment). Unless SWBT desires to recover costs that it is not actually incurring, it has stated no rational reason for opposing the sale/buyback option. Accordingly, the MFS and ALTS Petitions on this issue should be granted.

C. The Obligation of LECs to Offer Cross-connects to All Services Should Be Confirmed

MFS sought clarification that the Commission's rules require incumbent LECs to offer collocated carriers cross-connections to (1) all unbundled network elements, and (2) all tariffed interstate switched and special access service elements; and also that incumbent LECs must permit third party carriers to purchase such cross-connections when they use the transmission facilities of a collocated carrier for interconnection or access to the LEC network. MFS Petition at 16-18. No other party opposed or even commented on this request, which should be granted.

IV. PRICING ISSUES

A. The Commission Has Jurisdiction to Reconsider Its Pricing Rules

Some incumbent LECs argued that the Commission cannot even consider petitions seeking changes in the pricing rules adopted in the *1st R&O* because those rules have been stayed by the Court of Appeals.[10] On the other hand, SNET (at 3-4) effectively recognized that the Commission has authority to reconsider its pricing rules but argued that it should defer any such action on the basis of administrative efficiency; while U S West (at 3-4) argued that the Commission is bound to consider these issues so that parties will know what rules will apply if the stay is lifted after the Court's review on the merits.

MFS submits that, in a rulemaking proceeding such as this, the Commission retains jurisdiction to rule on timely-filed petitions for reconsideration, even though a petition for review

[10] *See, e.g.,* Bell Atlantic at 2-3; GTE at 6-7.

as to the same issues is pending before a Court of Appeals.[11] The Court has not vacated any part of the Commission's rules, and it remains quite possible that some or all of the stayed rules may eventually be permitted to take effect. The Commission should rule on the merits of petitions for reconsideration or clarification of these rules, so that affected parties will be able to determine what their rights and obligations will be if the stay is removed.[12]

B. Affected Parties Should Have an Opportunity to Inspect LEC Cost Studies and to Participate in State Cost Proceedings

MFS sought clarification that the Commission's rule requiring that LEC cost studies be considered "on the record" in a proceeding in which affected parties receive notice and an opportunity to participate implies that (1) all parties must have a reasonable opportunity to inspect and critique the cost studies, including their underlying data and algorithms, subject to protection of any proprietary information contained in the cost studies; and (2) a State commission must permit affected third parties to intervene in any arbitration proceeding in which it reviews a cost study. MFS Petition at 18-20. This request was supported in whole or in part by Comcast and Vanguard, Cox, and Worldcom. AT&T (at 18), however, opposed allowing third-party intervention in arbitration proceedings.

As a general matter, MFS agrees with AT&T that arbitrations were intended to be bilateral proceedings and that third parties should not have an opportunity to influence the determination of

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[11] The case cited by GTE at 7 n.12, *Greater Boston TV Corp. v. FCC*, 463 F.2d 268, 283 (D.C. Cir. 1971), is irrelevant because it involved a licensing decision and an appeal under 47 USC § 402(b), rather than a rulemaking and a petition for review under § 402(a).

[12] Nonetheless, in light of the expedited briefing schedule established by the Court of Appeals, it may be prudent for reasons of administrative efficiency to defer ruling on pricing issues in this docket for a few months so that the Commission can take into account any decision the Court may issue in the interim. If the Commission adopts this course, it certainly should not delay ruling on any of the non-pricing issues raised in petitions for reconsideration and clarification.

contractual rates, terms, and conditions between an incumbent LEC and a requesting carrier. It would seem, however, that an exception must be made for cases involving review of cost studies pursuant to this Commission's pricing rules, because of the requirement of notice and an opportunity to comment contained in 47 CFR § 51.505(e)(2). MFS suggests that the best way to resolve this tension is for State commissions to consider contested LEC cost studies in a generic proceeding, in which the State commission can make findings of fact concerning the actual level of LEC costs for particular services and elements, and then to apply these findings in separate arbitration proceedings between carriers without third-party intervention.

C. LECs Should Not be Permitted to Double-Recover Forward-Looking Costs Through Loop Conditioning Charges

MFS requested clarification that an incumbent LEC which sets rates for unbundled loop elements based on forward-looking economic costs may not impose, in addition to those rates, a surcharge for conditioning loops unless the requesting carrier asks that the loops be upgraded to provide capabilities beyond those provided by the most-efficient technology used in developing the economic costs. MFS Petition at 5-8. This request is opposed by Sprint (at 5) and USTA (at 7-8 n.14), who claim that conditioning imposes real costs that must be recovered.

The opponents misstate the issue. MFS agrees that reasonable costs associated with upgrading loop plant may be recovered by the incumbent LECs; however, the use of a forward-looking economic cost methodology requires that those costs be recovered as part of the forward-looking cost of the network through a recurring monthly charge, and not on a customer-specific basis through non-recurring charges which, at least potentially, may be applied in a discriminatory fashion. The worst of all possible worlds, of course, would be to permit the incumbent LECs to recover these costs *both* ways so that customers end up paying twice for the same network upgrades.

Sprint argues, however, that forward-looking cost does not recover the cost of network upgrades, because it is supposed to be based on the technology actually deployed in a particular LEC's network rather than the most efficient technology currently available. Sprint's argument is based on a misreading of para. 685 of the *1st R&O.* The Commission actually stated in that paragraph that

> the forward-looking pricing methodology for interconnection and unbundled network elements should be based on costs that assume that wire centers will be placed at the incumbent LEC's current wire center locations, *but that the reconstructed local network will employ the most efficient technology* for reasonably foreseeable capacity requirements.

(Emphasis added.) This statement directly contradicts Sprint's assumption that a forward-looking economic cost study would only consider the technology that is actually "employed in a particular wire center today." (Sprint at 5.)

Applying the correct standard, it is clear that costs associated with deploying the most efficient current technology in the incumbent LEC's network must be recovered through monthly recurring charges from all users, and that conditioning surcharges may be applied only to upgrade a particular facility to a higher level of functionality or quality than is available using the least-cost loop technology.

D. The Commission Should Clarify, but not Substantively Change, Its Geographic Deaveraging Rules

MFS requested clarification that the Commission's geographic deaveraging rule should be applied on a statewide, rather than study area-specific, basis; and that it is not necessary to deaverage the rate for a particular element if there is not actually any significant geographic variation in costs. MFS Petition at 20-21. AT&T agreed with the first element of this request (at 19 n.27), but opposed

the second (at 18-19), while NYNEX (at 24-25) opposed any change in the deaveraging requirements.

Both AT&T and NYNEX seem to think that MFS desires to subvert the principle that rates should reflect geographic variations in cost, but nothing could be further from the truth. MFS strongly supports the principle of deaveraging, and is seeking only clarification, not any substantive change in the rule. Indeed, although NYNEX says it opposes MFS' petition, it then proceeds to state agreement with the underlying premise of that petition by saying that, "[t]o the extent that underlying cost relationships do not vary by geography within the state, there will not be a need to reflect any differences in rates within that state." NYNEX at 25. That is precisely the clarification that MFS proposes—the Commission should make clear that it is not expecting states to establish arbitrary, non-cost-based pricing zones simply for the sake of deaveraging; rather, it requires that deaveraged rates be based upon underlying geographic cost variations.

V. RESALE

A. Geographic and Premises Restrictions Should be Treated as Restrictions on Resale

MFS asked that the Commission clarify that its presumption that restrictions on resale are unreasonable should be construed as applying to indirect restrictions (such as limitations on the number of premises or the geographic area within which a service may be used) as much as to explicit restrictions on resale. MFS Petition at 22. GTE (at 35) contends that this proposal is "too vague" to be of use to State commissions. MFS respectfully disagrees. Both Section 251(c)(4)(B) of the Act, and the Commission's regulations, leave the final decision as to the reasonableness of particular resale restrictions to the State commissions, subject to regulations adopted by this Commission. This structure necessarily means that this Commission's rules can only provide

guidance to the States, but cannot dictate the outcomes of particular cases. That does not make the rules "vague."

The clarification sought by MFS would put the State commissions on notice that they should not limit their scrutiny to explicit restraints on resale, but also should examine tariff terms and conditions that impose practical obstacles or limitations on resellers. Of course, the States have authority to scrutinize any such tariff provisions anyway, but clarification by this Commission would help to assure consistent implementation of the Communications Act nationwide.

B. "Grandfathered" Services Should Be Available For Resale

MFS asked the Commission to reconsider its decision to limit the resale of "grandfathered" services, and to require that all retail services be made available to resellers for as long as they continue to be provided to retail customers. MFS Petition at 22-25. Bell Atlantic (at 9) opposes this request, arguing that MFS' proposal would make it "impossible" for an incumbent LEC to "grandfather" any retail service; while USTA (at 20-21) argues that the Commission should defer to the States to regulate the withdrawal of retail services.

MFS does not seek to prevent incumbent LECs from *withdrawing* retail services entirely, provided that they comply with State law in the process. The issue identified in MFS' petition, by contrast, is that grandfathered services may continue to be available to retail customers (potentially, to a very large number of such customers) for a long time while being effectively unavailable to resellers for the reasons explained in the Petition. This is an implicit form of discrimination that is contrary to the provisions of the Act and is a proper subject for the Commission to address, even if

it does somewhat limit the flexibility of LECs in withdrawing services.[13] The Commission should therefore reconsider this rule as sought by MFS.

VI. RECIPROCAL COMPENSATION

A. The Commission Should Clarify That Requesting Carriers Are Entitled to Symmetric Compensation

MFS asked the Commission to clarify that, under its rules governing reciprocal compensation, a requesting carrier is entitled to symmetric compensation at the level applicable to traffic terminated via the incumbent LEC's tandem switch in any case in which the requesting carrier's network performs tandem functions *or* serves a geographic area comparable to that of a tandem switch; and that a "comparable" area for this purpose may include areas that the new entrant's switch can serve through use of unbundled LEC network elements. MFS Petition at 25-28. This request is supported by AT&T (at 24), MCI (at 32-34), NCTA (at 16-18), TCG (at 5-7), and

[13] Contrary to Bell Atlantic's claim, allowing resale would not eliminate the usefulness of "grandfathering" to incumbent LECs, but it probably would encourage them to shorten the transition period for customers of the old service. Resellers would have little interest in buying a service that is scheduled to be withdrawn within a short time. On the other hand, if the old service remains available to a significant class of customers for a long time, it seems reasonable that resellers should have an opportunity to use that service as well.

US ONE (at 10-12).[14] No party disputed that MFS' interpretation of the Commission's intent was correct.

In opposition, however, Ameritech (at 30-32) and Sprint (at 21-22) essentially argue that requesting carriers should not receive compensation for tandem switching unless they actually operate a physical tandem switch.[15] These arguments should be dismissed because, in the guise of opposing a petition for clarification, they actually seek a substantive change in the Commission's rules which should have been (but was not) raised by a separate petition for reconsideration. The Commission very clearly ruled in paras. 1085-1090 of the *1st R&O* that symmetrical rates for reciprocal compensation are *not* to be based on a detailed examination of the network design and costs of requesting carriers; such an examination is expressly precluded by Section 252(d)(2)(B)(ii) of the Act. Rather, the Commission established a set of reasonable "proxies" for use in estimating the costs of requesting carriers. One of those "proxies" is a rule that where the requesting carrier

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[14] TCG goes on to suggest that the transport interconnection charge (TIC) should be collected by the requesting carrier in cases where it provides tandem switching or the equivalent, and by the incumbent where it provides tandem switching. (TCG at 7-8.) TCG's argument is misplaced in several respects. First, this issue is not the subject of MFS' or any other party's petition for reconsideration, and therefore is not properly before the Commission. Second, the TIC is only applicable to interexchange traffic, and therefore is not to be imposed by *any* carrier on local traffic as part of a reciprocal compensation arrangement—the issue raised by TCG should instead be considered in the Commission's upcoming access charge docket. Third, if the Commission did reach the merits, it should rule that the TIC is to be collected by the carrier providing the *end office* functionality, not the tandem functionality. This is the way access charges are currently divided by incumbent LECs in the meet-point billing arrangements they have between themselves. *See, e.g.,* National Exchange Carrier Ass'n Tariff FCC No. 5, section 2.4.7(B)(3)(e). It would be discriminatory, and therefore contrary to the Act, for an incumbent LEC to collect TIC charges with respect to traffic routed through its tandem by a competing carrier when it does not collect such charges with respect to comparable traffic routed by non-competing incumbent LECs.

[15] Ameritech's vigorous opposition on this point is curious, considering that it voluntarily agreed to reciprocal compensation agreements with MFS in five states which do *not* base the amount of compensation on whether either carrier operates a tandem switch.

provides transport and termination over a geographic area comparable to that served by the incumbent's tandem, the appropriate proxy is the incumbent's rate for traffic terminated via its tandem switch. 47 CFR § 51.711(a)(3). This rule does not base compensation on an element-by-element or facility-by-facility comparison of the requesting carrier's and incumbent carrier's respective networks. Neither Sprint nor Ameritech has filed a timely petition for reconsideration of this decision, so they cannot now ask the Commission to change the underlying principle of its rule in response to petitions that merely seek clarification.

In any event, the arguments raised by Ameritech and Sprint are precisely the same ones that the Commission correctly rejected in adopting its symmetry rule in the first place. These incumbent LECs offer no reason for the Commission to change its well-reasoned decision on this issue. Accordingly, the clarification sought by MFS should be granted.

B. Calls To and From Enhanced Service Providers Are Subject to Reciprocal Compensation

MFS sought clarification that local calls to or from Telephone Exchange Service customers that happen to be enhanced service providers must be included in the "traffic" to which any reciprocal compensation arrangement applies. MFS Petition at 28. No party opposed or even commented upon this clarification, which should be granted for the reasons stated in the Petition.

VII. CONCLUSION

For the foregoing reasons, MFS' Petition for Limited Reconsideration and Clarification should be granted.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of November 1996 copies of MFS Communications Company, Inc.'s Reply To Oppositions To Petition For Reconsideration were served on the attached service list by first class mail, postage prepaid.

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