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July 12, 2001

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BY HAND

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

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WorldCom, Cox, and AT&T ads. Verizon
CC Docket Nos. 00-218, 00-249, and 00-251

Dear Ms. Salas:

In its Letter Order of July 11th following the Status Conference of July 10th, the Commission requested that the parties submit a list of issues on which they request staff-supervised negotiations or mediation. The Commission request stems from (i) Verizon's July 9th correspondence to the Commission noting that a number of issues raised by WorldCom alone are not appropriate for arbitration in their present form because WorldCom has failed to meet its burden to identify and articulate the particular substantive issue in dispute, and (ii) WorldCom's proposal at the July 10th Status Conference to address Verizon's concern by attempting to resolve or refine the issues through a supervised negotiations or mediation process. In an effort to continue narrowing the scope of the proceeding and encouraging resolution where feasible, the Commission expanded the proposal to include AT&T and Cox issues to the extent that AT&T or Cox were willing to engage in the process. Issues on the parties' "mediation" issues lists will be put on a separate track for purposes of filing testimony.

Today, Verizon has reviewed proposed mediation issues lists from each party. Verizon is receptive to adding any issues to the mediation track for which there is interest among the parties. However, in the interest of keeping things manageable and making sure Verizon does not have issues proceeding on two different tracks, to the extent that an issue involves more than one party, Verizon only can agree that it goes on the "mediation" list for one if it goes on for all. Verizon does not thereby pre-judge the question of how the supervised settlement conferences or mediation will proceed -- that is, separately or jointly. Verizon has not yet been able to

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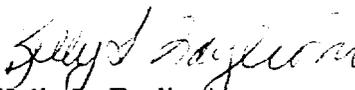
ascertain whether there is consensus on each of the lists proposed by WorldCom, Cox, and AT&T.

Moreover, until the mediation issues list is finalized, Verizon is not in a position to comment on a proposed procedure or schedule for the supervised settlement conferences or mediation. For some issues, it may be beneficial to exchange some information prior to a settlement conference or mediation to ensure that Verizon has the appropriate representatives present. Verizon is hopeful that the parties will continue discussions and reach agreement regarding the issues list, process, and schedule shortly.

Finally, Verizon identifies the following issues to consider in addition to those identified by WorldCom, Cox, or AT&T: III-4(a) (forecast penalties), V-5 (customized routing), VII-2 (demand management forecasts), VII-13 (collocation billing), and VII-27 (miscellaneous).

Please do not hesitate to call me with any questions.

Sincerely,


Kelly L. Faglioni
Counsel for Verizon

KLF/ar

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