

BOULT
CUMMINGS
CONNERS
& BERRY
PLC

Jon E. Hastings
(615) 252-2306
Fax: (615) 252-6306
Email: jhasting@bccb.com

LAW OFFICES
414 UNION STREET, SUITE 1600
POST OFFICE BOX 198062
NASHVILLE, TENNESSEE 37219

RECEIVED
REGULATORY DIVISION
100 APR 19 PM 1 40
TELEPHONE (615) 244-2582
FACSIMILE (615) 252-2380
INTERNET WEB <http://www.bccb.com/>
EXECUTIVE SECRETARY

April 19, 2000

K. David Waddell
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: In Re: Petition to Convene a Contested Case Proceeding to Establish
Permanent Prices for Interconnection and Unbundled Elements
Docket No. 97-01262

Dear Mr. Waddell:

Attached is the original plus thirteen (13) copies of MCI WorldCom's Response to BellSouth and AT&T's Proposals to Deaverage Proxy UNE Prices which we would appreciate your filing in the above-captioned docket.

Thank you for your attention to this matter.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 

Jon E. Hastings

JEH/th

Attachment

cc: All Parties of Record

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

In Re: Petition to Convene A Contested)	
Case Proceeding to Establish Permanent)	Docket No. 97-01262
Prices for Interconnection and Unbundled)	
Elements)	

**MCI WORLDCOM'S RESPONSE TO BELL SOUTH AND AT&T'S PROPOSALS
TO DEAVERAGE PROXY UNE PRICES**

Pursuant to the request issued by the Authority on April 10, 2000, MCI WorldCom, Inc. ("MCIWorldCom") submits its response to BellSouth's and AT&T's proposals for "deaveraging" the proxy UNE prices established by the Arbitrators in Docket Nos. 96-01152 and 96-01271 (the "AT&T and MCI arbitrations").

MCIWorldCom agrees with AT&T that the FCC's deaveraging rule and its rules governing UNE prices¹ require that the only relevant considerations in determining geographically deaveraged UNE prices are the forward looking economic cost differences associated with different geographic areas. Deaveraged UNE prices must reflect the relative forward looking economic cost differences of the UNEs between geographic areas.

MCIWorldCom also agrees with AT&T's assessment of BellSouth's proposal and also opposes BellSouth proposal. BellSouth's proposal to take into consideration its retail rate groups in developing UNE deaveraged rates violates FCC rules 51.503, 51.505 and specifically violates 51.505(d).

AT&T's interim UNE deaveraging proposal is a valid method to accomplish UNE rate deaveraging in order to meet the May 2, 2000 deadline in compliance with FCC rules. AT&T's proposal is to take a deaveraging methodology stipulated to by many parties in Florida and apply it to Tennessee. MCIWorldCom would be willing to accept this proposal

¹ 47 C.F.R. Section 51.503 and 505.

as an interim method to deaverage existing UNE rates in order to meet the May 2, 2000 deadline.

The Florida Stipulation methodology (1) ranks BellSouth's wire centers in order of lowest cost to highest cost, (2) places all wire centers that have an average loop cost of between 0 and 100% of BellSouth's statewide average loop cost in Zone 1, (3) places all wire centers that have an average loop cost of between 100 and 200% in Zone 2, and (4) places all wire centers that have an average loop cost of over 200% in Zone 3. Then, for each zone, (1) the average wire center cost in the zone is calculated, (2) the average wire center cost for each zone is divided by the total statewide average loop cost to arrive at a percentage for each zone, and (3) those percentages are multiplied by the average loop proxy price to determine the "deaveraged" loop proxy price for each zone.

MCIWorldCom does not agree, however, that the interim deaveraging methodology proposed by AT&T is necessarily an appropriate permanent methodology for UNE rate deaveraging. The permanent deaveraging methodology should not arbitrarily select its cost breakpoints for determining rate zones as is done by the Florida Stipulation methodology (i.e., 0 to 100%, 100% to 200% and over 200%). These arbitrary breakpoints, while nice round numbers, may not fully accomplish what should be the long term objective of the TRA. This long term objective should be to price UNEs to reflect their underlying cost characteristics so that retail rates can gradually be driven towards cost by competitive entry. As demonstrated by the attached graph, further analysis of the underlying cost characteristics may reveal natural cost breakpoints that can replace the arbitrary breakpoints proposed by AT&T.

CONCLUSION

The TRA should adopt the methodology recommended by AT&T and the resulting deaveraged proxy loop prices set forth in Attachment 1 to AT&T's deaveraging proposal as interim deaveraged UNE loop rates for BellSouth in Tennessee.

Respectfully submitted,



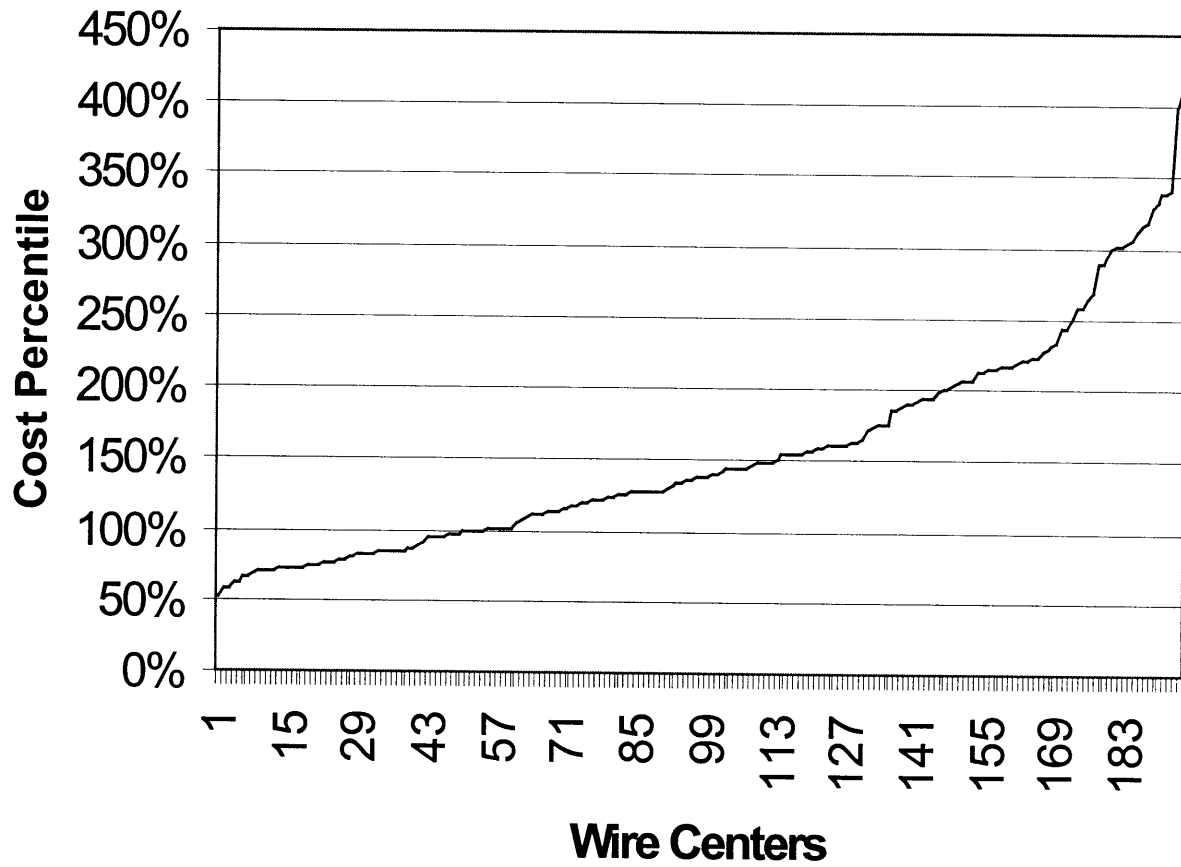
Susan Berlin
MCI WorldCom, Inc.
6 Concourse Parkway
Atlanta, Georgia 30328
(770) 284-5491

Jon E. Hastings, BPR #10470
Boult, Cummings, Conners & Berry, PLC
414 Union Street, Suite 1600
Nashville, Tennessee 37219
(615)252-2306

Attorney for MCIWorldCom, Inc.

April 19, 2000

BellSouth Loop Cost - FCC SCM OUTPUT



CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been hand delivered or mailed to the following persons on this the 19th day of April, 2000.

James P. Lamoureux

AT&T

1200 Peachtree Street, NE

Room 4048

Atlanta, GA 30309

Val Sanford

Gullett, Sanford, Robinson &

Martin, PLLC

230 4th Avenue North, Third Floor

P. O. Box 198888

Nashville, TN 37219-8888

Guy M. Hicks

Bellsouth Telecommunications, Inc.

333 Commerce Street, Suite 2101

Nashville, TN 37201-3300

Charles B. Welch, Jr.

Farris, Mathews, Gilman,

Branan & Hellen, P.L.C.

511 Union Street, Suite 2400

Nashville, TN 37219

L. Vincent Williams

Consumer Advocate Division

Cordell Hull Building, Second Floor

426 Fifth Avenue North

Nashville, TN 37243-0500

H. LaDon Baltimore, Esq.

Farrar & Bates, LLP

211 Seventh Avenue North, Suite 320

Nashville, TN 37219-1823

William C. Carriger, Esq.

Strang, Fletcher, Carriger, Walker, et al.

400 Krystal Bldg., One Union Square

Chattanooga, TN 37402-2514

Benjamin W. Fincher, Esq.

Sprint Communications Company

3100 Cumberland Circle

Atlanta, GA 30339

Henry Walker, Esq.

Boult, Cummings, Connors & Berry, PLC

414 Union Street, Suite 1600

Nashville, TN 37219

Dana Shaffer, Esq.

Nextlink

105 Malloy Street, #300

Nashville, TN 37201

Julie Strow

Intermedia Communications

3625 Quenn Palm Dr.

Tampa, FL 33619

Carolyn Tatum-Roddy, Esq.

Sprint Communications Co., LP

3100 Cumberland Circle

Atlanta, GA 30339

Kenneth Bryant, Esq.

Trabue, Sturdivant & DeWitt

511 Union Street, Suite 2500

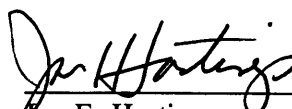
Nashville, TN 37219-1738

James B. Wright, Esq.

United Telephone-Southeast

14111 Capitol Blvd.

Wake Forest, NC 27587


Jon E. Hastings