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REC'D TN
REGULATORY COUNCIL

JUN 13 1999
H. LaDon Baltimore
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CLERK OF THE
EXECUTIVE SECRETARY

June 13, 2000

Via Courier

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: 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,
Docket No. 99-00948

Dear Secretary Waddell:

Intermedia Communications Inc. and BellSouth Telecommunications, Inc. (the "Parties"),
pursuant to Pre-Arbitration Officer Gary Hotvedt's instructions at the status conference in the
above-captioned proceeding, held on June 2, 2000, hereby jointly file this letter.

**STATEMENT OF THE PARTIES CONCERNING STAFF'S
PARTICIPATION AND CONDUCT OF ARBITRATION**

The Parties respectfully state that they have no objection to the Authority Staff's
participation in the instant arbitration. Moreover, the Parties affirm that they will abide by the
Authority's arbitration rules in the conduct of the arbitration.

REVISED ISSUES

The Parties have agreed to revise certain of the issues as follows:

- **Issue Nos. 6, 8, and 9.** Issue nos. 6, 8, and 9 have been consolidated into issue
no. 6, which now reads as follows:

Are BellSouth's proposed collocation
intervals: (a) appropriate, and (b) should
they be measured in business days?

Amended Revised Joint Matrix

PG 13-00D

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- **Issue No. 22.** Issue no. 22 has been rephrased to include the definitions of dedicated transport, dark fiber transport, and shared transport, respectively. Issue no. 22 now reads as follows:

Should BellSouth be required to provide nondiscriminatory access to interoffice transmission facilities, including *dedicated transport* (defined as incumbent LEC transmission facilities, including all technically feasible capacity-related services including, but not limited to, DS1, DS3 and OCn levels, dedicated to a particular customer or carrier, that provides telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers), *dark fiber transport* (defined as incumbent LEC optical transmission facilities without attached multiplexing, aggregation or other electronics), and *shared transport* (defined as transmission facilities shared by more than one carrier, including the incumbent LEC, between end office switches, between end office switches and tandem switches, and between tandem switches, in the incumbent LEC network), in accordance with, and as defined in, the FCC's *UNE Remand Order*?

- **Issue No. 25.** Issue no. 25 has been revised to include the definitions of UNI, NNI, and DLCI @ CIR, respectively. This issue now reads as follows:

Should BellSouth be required to furnish access to the following as UNEs: (i) User-to-Network Interface or "UNI," which provides connectivity between the end user and the frame relay network; (ii) Network-to-Network Interface or "NNI," which

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provides carrier-to-carrier connectivity to the frame relay network; and (iii) Data Link Control Identifiers or "DLCIs" at Intermedia-specified Committed Information Rates or "CIRs," which define the path and capacity of virtual circuits over which frame relay frames travel across the frame relay network?

A copy of the revised issues matrix is appended to this letter.

PROPOSED PROCEDURAL SCHEDULE

The Parties respectfully propose the following procedural schedule:¹

June 19, 2000	All discovery, including interrogatories and requests for production of documents, must be filed and served on or before this date.
June 29, 2000	All objections to discovery requests must be filed and served on or before this date.
July 11, 2000	All discovery responses must be filed and served on or before this date.
July 18, 2000	The Parties' direct testimony and the final joint issues matrix must be filed and served on or before this date.
August 1, 2000	The Parties' rebuttal testimony must be filed and served on or before this date.
August 9-10, 2000	Hearing.
August 15, 2000	The hearing transcript will be made available on or before this date.

¹ Service upon the other Party must be made by hand-delivery, facsimile, or overnight courier (morning delivery) on the day the filing is due.

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August 29, 2000

The Parties' post-hearing briefs must be filed and served on or before this date.

September 5, 2000

The Parties' post-hearing rebuttal briefs must be filed and served on or before this date.

October 2, 2000

Authority's decision.²

The Parties respectfully request that the Authority adopt the procedural schedule proposed above.

Respectfully submitted,

INTERMEDIA COMMUNICATIONS INC.

By: LaDon Baltimore
LaDon Baltimore

BELLSOUTH TELECOMMUNICATIONS, INC.

By: Langley Kitchings by L.B. / permission
Langley Kitchings

cc: Gary Hotvedt
Parties of Record
Interested Parties

² Intermedia and BellSouth previously agreed to extend the statutory deadline under Section 252 of the Communications Act of 1934, as amended (the "Communications Act"), until June 30, 2000. However, in consideration of the schedules of all those involved, Intermedia and BellSouth agree to extend the statutory deadline under Section 252(a)(4)(C) of the Communications Act until October 2, 2000.

**REVISED JOINT ISSUES MATRIX
BELLSOUTH/INTERMEDIA ARBITRATION
SUBMITTED TO THE TRA ON JUNE 13, 2000
TENNESSEE**

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 1:</u> Should the parties wait for final and nonappealable legislative, regulatory, judicial or other legislation before amending the contract to implement such actions?	No Once a legislative, regulatory or judicial action becomes "effective," the parties should be able to implement it for purposes of their agreement	Yes, BellSouth believes that a party should wait until an action is nonappealable before implementing the action, otherwise, the parties are potentially subject to multiple amendments to the contract.	<u>General Terms and Conditions, Part A, § 16.5, Attachment 3, § 6.6.2.</u>	N/A		CLOSED. BellSouth agreed to accept Intermedia's language.
<u>Revised Issue 2:</u> Should the definition of "Local Traffic" for purposes of the Parties' reciprocal compensation obligations under Section 251(b)(5) of the 1996 Act include the following:						The parties agreed to split this issue into two subparts for consideration.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/2

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>2(a)</u> ISP traffic?	Yes. Intermedia should be fairly compensated for use of its facilities in the carriage of traffic originated by BellSouth customers.	"Local traffic" should be defined to apply only to traffic that originates and terminates within a local area. The definition should expressly exclude traffic to Internet Service Providers, which is interstate traffic.	Attachment 3, § 6.1 to 6.1.5. General Terms and Conditions Part B – definition of local traffic.	First Report and Order, <i>Implementation of the Local Competition Provisions in the Telecommunications Act of 1996</i> , 11 FCC Rcd 13042, 16013, ¶ 1034; Declaratory Ruling, CC Docket No. 96-98, ¶¶ 26 n. 87 and 27 (Feb. 26, 199), 47 USC § 251(b)(5) and § 251(d)(2)(A).		<u>ARBITRATE.</u>
<u>2(b)</u> False traffic deliberately generated for the sole purpose of obtaining increased reciprocal compensation (e.g. Router-Router traffic)?	Intermedia does not oppose this BellSouth position on its merits, but seeks clearer language that is not overbroad.	BellSouth should not have to pay reciprocal compensation for false traffic generated for the purpose of obtaining reciprocal compensation.	Attachment 3, § 6.1 to 6.1.5. General Terms and Conditions Part B – definition of local traffic.	N/A		<u>CLOSED.</u> The parties agreed to new language on February 23, 2000.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/3

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 3: Should Intermedia be compensated for end office, tandem, and transport elements, for purposes of reciprocal compensation?	Yes. In accordance with FCC Rule 51.711, Intermedia is entitled to be compensated at BellSouth's tandem interconnection rate if its switch covers a geographic area comparable to that covered by a BellSouth tandem switch.	Intermedia should be compensated for those functions it provides. The appropriate rates for reciprocal compensation are the elemental rates for end office switching, tandem switching and common transport that are used to transport and terminate local traffic. If a call is not handled by Intermedia's switch on a tandem basis, it is not appropriate to pay Intermedia reciprocal compensation for the tandem switching function.	Attachment 3, § 6.2.	<i>AT&T v. Iowa Utils. Bd.</i> , 119 S. Ct. 721 (1999); 47 C.F.R. § 51.711.		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/4

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 4:</u> Should BellSouth be required to pay for additional transport charges where Intermedia has configured its network in a way that its switch is in a different LATA than Intermedia's end user customer?	Yes. Intermedia designs its networks for its own business purposes and to provide the best possible service to its customers, not primarily for minimizing cost to BellSouth. BellSouth should be required to compensate Intermedia for services it receives, rather than suggesting that Intermedia redesign its network to accommodate BellSouth's interests.	No. BellSouth is required by law to hand off its traffic within the same LATA where the traffic is originated. BellSouth should not be forced into paying additional transport costs due to an inefficient configuration of Intermedia's network.	Attachment 3, § 6.1.6.	N/A		<u>CLOSED</u> Intermedia agreed to accept BellSouth's language.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/5

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 5: Should Intermedia be allowed to assign NPA/NXX's in such a way so as to make it impossible for BellSouth to distinguish local from non-local traffic for BellSouth originated traffic?	Intermedia objects to BellSouth's pejorative and inaccurate framing of this issue. The point of Intermedia's proposed language is not to make it difficult for BellSouth to distinguish between local and non-local traffic as stated. Intermedia's language is intended to allow Intermedia appropriate flexibility in designing local calling areas and assigning NPA/NXXs so that Intermedia may provide innovative and competitive services to its customers. BellSouth's complaint that it cannot distinguish the character of traffic is unfounded. Intermedia's language allows for the exchange of CPNI data, and in instances where that is not available, exchange	No. If Intermedia assigns NPA/NXXs outside the BellSouth local calling area where the NPA/NXX is honed, BellSouth will not be able to identify whether BellSouth customers are making local, intraLATA or interLATA toll calls to Intermedia customers.	Attachment 3, §§ 1.2 and 1.2.1			<u>CLOSED.</u> The parties agreed that Issue 5 should be closed, and its content subsumed under Issue 26.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/6

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Revised Issue 6: Are BellSouth's proposed collocation intervals: (a) appropriate, and (b) should they be measured in business days?	No. For example, BellSouth's interval of 30 business days for providing a response to a collocation request is unreasonably long. Similarly, BellSouth's interval of 90 to 130 <i>business days</i> for provisioning physical collocation is simply too long to be acceptable. In addition, BellSouth's intervals should be measured in "calendar" as opposed to "business" days. The use of "business" versus "calendar" days is deceptive and unreasonably prolongs Intermedia's ability to obtain collocation.	Business days. The FCC has not precluded the use of business days, therefore it is fair to use business days. BellSouth believes that business days are the appropriate means of calculating provisioning intervals. This language is reflected in BellSouth's standard interconnection agreement: "BellSouth will use best efforts to complete construction for collocation arrangements under ordinary conditions as soon as possible and within a maximum of 90 business days from receipt of a complete and accurate Bona Fide Firm Order."	Attachment 4, §§ 2.6, 6.4.3	47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d); <i>Deployment of Wireline Services Offering Advanced Telecommunications Capability</i>, CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999).		ARBITRATE. This issue has been revised to incorporate issue nos. 6, 8, and 9, per the TRA's instructions on 6/2/2000.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/7

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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Revised Issue 7: What charges should Intermedia pay to BellSouth for space preparation for physical collocation?	Intermedia considers that BellSouth's space preparation charges are unreasonable on their face, in part because the quoted charges do not appear to have any cost basis in the task at hand. Moreover, apart from the magnitude of the charges, many of BellSouth's charges for space preparation are "ICB" when they should be definitive, cost-based charges. This is in violation of the FCC's policies, and hinders competition.	The issue of appropriate rates for physical collocation, including space preparation charges, is currently pending before the Authority in Docket 97-01262. BellSouth proposes that the Interconnection Agreement incorporates the rates for space preparation that result from the Authority's decision in that proceeding.	Attachment 4, § 6.4.	47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d); <i>Deployment of Wireline Services Offering Advanced Telecommunications Capability</i>, CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999).		<u>ARBITRATE.</u>
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REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/8

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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<u>Issue 8:</u> Is BellSouth's interval for responding to Intermedia's bona fide collocation requests appropriate?	No. 30 business days is an unreasonable interval for such a minimal transaction; nearly 6 weeks. The FCC has specified that ILECs should respond within 10 days as to space availability. BellSouth's language indicates that it will respond within 10 days as to whether a collocation order is Bona Fide or not, but it takes 30 days to have a substantive response. This violates the FCC's stated policies.	Yes. BellSouth believes that 30 business days is a reasonable time frame within which to respond to a CLEC's request and to advise a CLEC of the availability of collocation space in a specific office and what the cost will be. However, within this 30 business day time frame, BellSouth advises CLECs within 10 business days if space will be available.	Attachment 4, § 6.2	47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d), <i>Deployment of Wireline Services Offering Advanced Telecommunications Capability</i>, CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999) at ¶ 55.		<u>CLOSED.</u> The parties agreed to close this issue and incorporate its content into Revised Issue 6.
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REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/9

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 9:</u> Is BellSouth's interval for physical collocation provisioning appropriate?	No. The 90 <i>business day</i> and 130 <i>business day</i> intervals are far too long to be realistic. 90 business days is approximately 18 weeks, or 4½ months. 130 business days is nearly 6 months. Intermedia proposes the use of calendar days as a compromise.	Yes. The FCC has not precluded the use of business days, therefore it is fair to use business days. As to the interval, BellSouth is not required by the FCC's Advanced Services Order to provide cageless collocation within fixed intervals. ¶ 54 First Report and Order and FNPRM, CC Docket 98-147)	Attachment 4, § 6.2	47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d). <i>Deployment of Wireline Services Offering Advanced Telecommunications Capability</i> , CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999).		CLOSED. The parties agreed to close this issue and incorporate its content into Revised Issue 6.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/10

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 10:</u> What should BellSouth's policies be regarding conversion of virtual to physical collocation?	In the first instance, it should not be necessary from a technical or practical standpoint to relocate Intermedia's arrangement to a different portion of BellSouth's offices when converting to a cageless collocation arrangement. The FCC's rules forbid unreasonable segregation of CLEC equipment in this manner. Moreover, if for its own purposes, BellSouth wishes to take the extraordinary step of moving Intermedia's virtual arrangements to a different portion of its office -- something that is patently unnecessary in nearly all cases -- BellSouth should both cover the costs of doing so, and ensure that it does not interrupt or disrupt services to	BellSouth will convert virtual collocation arrangements to physical collocation arrangements upon Intermedia's request. However, if BellSouth determines in a nondiscriminatory manner that the arrangement must be relocated, Intermedia should pay the cost of such relocation.	Attachment 4, § 6.9	47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d); <i>Deployment of Wireline Services Offering Advanced Telecommunications Capability</i> , CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999).		<u>ARBITRATE.</u> Note: This issue has been rephrased in conformity with the TRA Staff's suggestion.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/11

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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Issue 11: Should BellSouth be required to provide reasonable and non-discriminatory access to UNEs in accordance with all effective rules and decisions by the FCC and this Commission?	Yes. This is required by applicable law.	BellSouth has proposed language.	Attachment 2, New item 1.8 (p. 56).	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released November 5, 1999), 47 U.S.C. § 51.319.</i>		<u>CLOSED.</u> BellSouth agreed to adopt Intermedia's language.
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REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/12

ISSUE	INTERMEDIA'S POSITION	BELL SOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Revised Issue 12: What is the appropriate definition of "currently combines" pursuant to FCC Rule 51.315(b)?	BellSouth should provide Intermedia access at UNE rates to combinations of network elements that exist in BellSouth's network.	BellSouth's obligation should be limited to combinations that currently exist to serve a particular customer at a particular location.	Attachment 2, New item 1.9 (p. 56).	<i>AT&T v. Iowa Utils. Bd.</i>, 119 S. Ct. 721, 736-38 (1999); <i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996</i>, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 475; 47 U.S.C. § 51.315.		<u>ARBITRATE.</u>
Revised Issue 13: Should BellSouth be required to:						The parties agreed to split this issue into two subparts for consideration.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/13

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
13(a): provide access to enhanced extended links ("EELs") at UNE rates; and	Yes, the law requires BellSouth to provide access to EELs at UNE rates.	BellSouth's obligation should be limited to combinations that currently exist to serve a particular customer at a particular location.	Attachment 2, New item 1.10 (p. 56).	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 480; 47 U.S.C. § 51.315.</i>		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/14

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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<u>13(b)</u> allow Intermedia to convert existing special access services to EELs at UNE rates?	Yes, the law requires BellSouth to convert, upon request, existing special access services to EELs at UNE rates.	Intermedia's ability to convert special access facilities to EELs at UNE rates is constrained at least until the FCC completes its Fourth Notice of Proposed Rulemaking. Until that rulemaking is complete, carriers may not convert special access services to combinations of UNEs unless the carrier uses the UNE combination to provide a significant amount of local exchange service, in addition to exchange access service to a particular customer.	Attachment 2, New item 1.10 (p. 56).	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 480; 47 U.S.C. § 51.315.</i>		<u>ARBITRATE.</u>
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REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/15

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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Issue 14: Should the parties utilize the FCC's most recent definition of "local loop"?	Yes. This updated definition contains substantive clarifications that are essential for purposes of the parties' agreement.	BellSouth proposed language which it believes is consistent with §51.319(a)(1) of the FCC's UNE Remand Order.	Attachment 2, item 2.2.1 (p. 57).	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996</i> , Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 166-167, 47 U.S.C. § 51.319(a)(1).		<u>CLOSED.</u> BellSouth agreed to accept the FCC's definitional language; Intermedia has withdrawn the issue.
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REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/16

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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<u>Issue 15:</u> Should BellSouth be required to condition loops in accordance with the FCC's most recent ruling?	Yes. It is essential for CLECs offering advanced services to be able to obtain reliable access to conditioned loops.	BellSouth agrees that it is required to condition loops in accordance with the FCC's 319 Order and has proposed language which it believes is consistent with §51.319(a)(3) of the FCC's UNE Remand Order and with Intermedia's proposed language.	Attachment 2, new items 2.4 and 2.4.1 through 2.4.4 (p. 57).	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 172, 47 USC § 51.319(a)(6).</i>		<u>CLOSED.</u> The parties agreed to new language on February 23, 2000.
<u>Issue 16:</u> Should the parties utilize the FCC's most recent definition of network interface device ("NID")?	Yes. The FCC's new definition of NID is updated and made more flexible to keep pace with changing technology and business practices. It is appropriate to include it in the parties' agreement.	Unstated.	Attachment 2, item 4.1.1 (p. 57)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 233.</i>		<u>CLOSED.</u> BellSouth agreed to use the definition from the FCC's UNE Remand Order.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/17

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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Issue 17: Should BellSouth be required to offer subloop unbundling and access to BellSouth-owned inside wiring in accordance with the UNE Remand Order and FCC Rule 319(a)?	Yes. This is now required by applicable law, and it should be included in the parties' agreement.	Where facilities permit and subject to applicable and effective FCC rules and orders, BellSouth shall offer access to its Unbundled Sub Loop (USL), Unbundled Sub Loop Concentration (USLC) and Unbundled Network Terminating Wire (UNTW) elements. BellSouth shall provide nondiscriminatory access, in accordance with § 51.311 and section 251(c)(3) of the Act, to the subloop, including inside wiring owned or controlled by BellSouth, if any, on an unbundled basis.	Attachment 2, items 6.1 and 6.2.1.1 through 6.2.1.2, new items 6.2.1.3 through 6.2.1.4; items 6.3.1 through 6.4.1; items 6.6, 6.6.1, 6.6.2, 6.6.3, 6.6.4 and 6.6.5 (pp. 58-59)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 205-207.</i>		<u>CLOSED.</u> The parties agreed to new language on February 23, 2000.
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REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/18

ISSUE	INTERMEDIA'S POSITION	BELL SOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Revised Issue 18: Should BellSouth be required to provide access on an unbundled basis in accordance with, and as defined in, the FCC's UNE Remand Order, to the following:						The parties agreed to split this issue into three subparts for consideration.
18(a) local circuit switching	Yes. Applicable law (the UNE Remand Order and 47 C.F.R. § 51.319(a)) require this, and the parties' agreement should reflect the current rules.	Unstated				<u>CLOSED.</u> BellSouth agreed to track FCC rule language.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/19

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>18(b)</u> local tandem switching	Yes. Applicable law (the UNE Remand Order and 47 C.F.R. § 51.319(a)) require this, and the parties' agreement should reflect the latest rules.	Unstated				<u>CLOSED.</u> BellSouth agreed to track FCC rule language.
<u>18(c)</u> packet switching capabilities	Yes, the unbundling of packet switching is required in certain instances.	Neither the 1996 Act nor the FCC's Rules require unbundling of packet switching. In its UNE Remand Order, the FCC expressly declined "to unbundle specific packet switching technologies incumbents LECs may have deployed in their networks." (Para. 311)	Attachment 2, items 7.1.1 and new 7.1.1.1(p. 60)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 241-317; 47 C.F.R. § 51.319(c).</i>		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/20

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 19: Should the parties utilize a definition of local tandem switching capability consistent with the FCC's most recent ruling?	Yes.	Unstated	Attachment 2, new item 7.1.1.3 (pp. 60-61); 9.9.1 (p. 63)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 241-299, 47 C.F.R. § 51.319(c)(2).</i>		<u>CLOSED.</u> The parties agreed to close this issue, and move its content to a revised Issue 18.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/21

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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Issue 20: Should the parties utilize a definition of local circuit switching capability consistent with the FCC's most recent ruling?	Yes.	Unstated	Attachment 2, new item 7.1.1.1 (pp 60)	Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 244, 47 C.F.R. § 51.319(c)(1)(A).		CLOSED The parties agreed to close this issue, and move its content to a revised Issue 18.
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REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/25

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 24: Should BellSouth provide nondiscriminatory access to operations support systems ("OSS") and should the parties utilize a definition of OSS consistent with the FCC's most recent ruling?	Yes	Unstated	Attachment 2, item 17.2 (p. 63)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 421-437; 47 C.F.R. § 51.319(g).</i>		<u>CLOSED.</u> Intermedia agreed to withdraw this issue and accept BellSouth's proposed language.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/26

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Revised Issue 25: Should BellSouth be required to furnish access to the following as UNEs: (i) User-to-Network Interface or "UNI," which provides connectivity between the end user and the frame relay network; (ii) Network-to-Network Interface or "NNI," which provides carrier-to-carrier connectivity to the frame relay network; and (iii) Data Link Control Identifiers or "DLCIs", at Intermedia-specified Committed Information Rates or "CIRs," which define the path and capacity of virtual circuits over which frame relay frames travel across the frame relay network?	Yes. These UNEs meet the requirements of the 1996 Act, and the TRA is empowered to mandate their availability.	No. These are components of Frame Relay, and Frame Relay is a form of packet switching. See BellSouth's response to issue 18(c).	Attachment 2, item 17.2 (p. 63)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 302-317.</i>		ARBITRATE. This issue has been revised per the TRA's instructions on 6/2/2000.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/27

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 26:</u> Should parties be allowed to establish their own local calling areas and assign numbers for local use anywhere within such areas, consistent with applicable law?	Yes, the parties should have the flexibility to assign their NPA/NXXs as they see fit, as well as to establish their own calling areas without being forced to mirror the other party's network topology.	When a CLEC assigns numbers having the same NPA/NXX to customers both inside and outside the BellSouth local calling area where the NPA/NXX is homed, it is impossible for BellSouth to determine whether BellSouth's end users are making a local or a long distance call when BellSouth's end user calls the CLEC's end user. Consequently, BellSouth can't tell whether access or reciprocal compensation should apply to the resulting traffic.	Attachment 3, items 1.2 and 1.2.1 (p. 3); item 1.9 (pp. 5-6); items 1.10.1 and 1.10.2 (p. 7)	N/A		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/28

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 27:</u> Should Intermedia be permitted to establish Points of Presence ("POP") and Points of Interface ("POI") for delivery of its originated interLATA toll traffic?	Yes.	All local service providers, including BellSouth and CLECs, should be permitted to establish Points of Interface (POI) as they choose so long as each local service provider designates at least one POI within the LATA to which it will deliver traffic originated by its end user customers bound for the end user customers of another local service provider.	Attachment 3, item 1.6 (p. 5)	N/A		<u>CLOSED.</u> The parties agreed to new language on February 23, 2000.
<u>Issue 28:</u> Should the parties include language requiring BellSouth to designate Points of Presence and Points of Interface for delivery of its originated <i>inter</i> -LATA toll traffic?	Yes.	Unstated	Attachment 3, item 1.7 (p. 5)	N/A		<u>CLOSED.</u> Intermedia agreed to withdraw this issue.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/29

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 29: In the event Intermedia chooses multiple tandem access ("MTA"), must Intermedia establish points of interconnection at all BellSouth access tandems where Intermedia's NXXs are "homed"?	No. Intermedia must have the freedom to configure its network and to assign NXXs in the most efficient manner possible, and to define local calling areas as it chooses.	Yes. If Intermedia elects BellSouth's multiple tandem access ("MTA") offer, Intermedia must designate for each of Intermedia's switches the BellSouth tandem at which BellSouth will receive traffic originated by Intermedia's end user customers.	Attachment 3, § 1.9 (page 5)	N/A		<u>ARBITRATE.</u>
Revised Issue 30: Should Intermedia be required to:						The parties agreed to split this issue into two subparts.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/30

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
30(a) designate a "home" local tandem for each assigned NPA/NXX; and	No. Intermedia desires simple and straightforward language guaranteeing that Intermedia can interconnect where it is efficient to do so, without restricting the type of traffic Intermedia can carry over the interconnected facilities.	Yes. If more than one BellSouth local tandem serves a particular local calling area, Intermedia must establish one of the BellSouth local tandems as a home local tandem for each of its NPA/NXXs.	Attachment 3, § 1.10.1 and 1.10.2 (page 7)	N/A		<u>ARBITRATE.</u>
30(b) establish points of interconnection to BellSouth access tandems within the LATA on which Intermedia has NPA/NXXs homed?	No. Intermedia desires simple and straightforward language guaranteeing that Intermedia can interconnect where it is efficient to do so, without restricting the type of traffic Intermedia can carry over the interconnected facilities.	Yes. Intermedia must interconnect at each access tandem where its NPA/NXXs are homed for Intermedia's exchange access traffic.	Attachment 3, § 1.10.1 and 1.10.2 (page 7)	N/A		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/31

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 31:</u> For purposes of compensation, how should IntraLATA Toll Traffic be defined, <i>e.g.</i> , should the definition include both voice and data traffic?	IntraLATA Toll Traffic should be defined as all basic intraLATA message service calls other than Local Traffic, and should include both voice and data traffic.	IntraLATA Toll Traffic should be defined as any telephone call that is not local or switched access per the parties' agreement.	Attachment 3, item 6.7.1 (p. 16)	N/A		<u>ARBITRATE,</u> Note: This issue has been rephrased in conformity with the TRA Staff's suggestion.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/32

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 32: How should "Switched Access Traffic" be defined?	Switched Access Traffic should be defined as telephone calls requiring local transmission or switching services for the purpose of the origination or termination of Telephone Toll Service," including Feature Groups A, B and D, 800/888 access, and 900 access (and their successors or similar Switched Exchange Access Services). In no instance should IP telephony be included within the definition of Switched Access Traffic.	Switched Access Traffic should be defined in accordance with BellSouth's access tariff and should include IP Telephony.	Attachment 3, item 6.8.1 (p. 17)	N/A		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/33

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Revised Issue 33:</u> (a) Should BellSouth and Intermedia be liable to each other for lost switched access revenues due to lost or damaged billing data? (b) Should there be a cap on the liability, and if so, what should that cap be?	Yes. If one party causes a revenue loss to the other due to lost or damaged billing data, the responsible party should be liable, up to a maximum of \$10,000 per episode.	Because this issue addresses switched access revenues, it is not appropriate for arbitration under section 252 of the Act. However, BellSouth is agreeable to Intermedia's proposed language, except that BellSouth does not wish to place a cap on the liabilities of the parties. BellSouth's switched access revenues are substantial, and BellSouth must rely on accurate information from CLECs such as Intermedia in order for BellSouth to accurately bill the appropriate IXCs.	Attachment 3, item 6.8.4 through 6.8.7 (p. 17)	N/A		<u>ARBITRATE.</u> The parties agreed to recast this issue to limit it to switched access revenues. Note: This issue has been rephrased in conformity with the TRA Staff's suggestion.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/34

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 34:</u> Should the parties determine the rates to be used for intraLATA toll and Switched Access transit traffic, or should rates from BellSouth's tariffs be utilized?	The parties should determine the rates they use, and BellSouth's tariffed rates should not be utilized for Internedia's rates	BellSouth's access tariff should determine the rates for both parties.	Attachment 3, item 6.9 (p. 19)	N/A		CLOSED. BellSouth agreed that each party's tariffed rate shall govern.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/35

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Revised Issue 35:</u> How should Wireless Type 1 and/or Type 2A traffic be treated for purposes of the Parties' interconnection agreement?	BellSouth should not exclude these traffic types from transit traffic. The Communications Act does not restrict the type of traffic that may be carried over interconnection arrangements, and restrictions should not be allowed for public policy reasons.	Because Wireless Type 1 traffic is indistinguishable from land-line traffic, such traffic must be treated as if it were land-line traffic originated by BellSouth or the CLEC. Wireless Type 2A traffic should be treated as if it were land-line traffic originated by either BellSouth or the CLEC until the involved parties have the necessary Meet Point Billing system capabilities.	Attachment 3, item 6.9 (p. 19)	N/A		<u>CLOSED.</u> The parties agreed to new language on February 23, 2000.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/36

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Revised Issue 36:</u> What should the appropriate compensation mechanism for transit traffic be for purposes of the Parties' interconnection agreement?	Intermedia has proposed language for BellSouth's review.	The appropriate compensation for transit traffic depends on whether the call is a local call or a long distance call. If it is a local call, then reciprocal compensation is the appropriate compensation mechanism. If it is a long distance call, then the applicable rate from either the state or the federal access service tariff is the appropriate compensation mechanism. Wireless Type 1 traffic will be compensated as local traffic. Wireless Type 2A traffic will be compensated as local traffic until the wireless provider executes a meet-point billing arrangement with BellSouth. Once that arrangement is established, such traffic will be compensated as	Attachment 3, new item 6.9.2 (p. 20)	N/A		CLOSED. The parties agreed to new language on February 23, 2000.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/37

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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<u>Issue 37</u> : Should all framed packet data transported within a Virtual Circuit that originate and terminate within a LATA be classified as local traffic?	Yes. Similarly, because the traffic is local traffic, it should be subject to reciprocal compensation like any other local traffic.	BellSouth agrees that all framed packet data transported within a VC that originate and terminate within a LATA will be classified as local traffic. However, BellSouth contends that frame relay traffic originated and terminated in the LATA is not subject to reciprocal compensation.	Attachment 3, item 7.5.1 (p. 22)	N/A		<u>ARBITRATE.</u>
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REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/38

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 38: If there are no Virtual Circuits on a frame relay interconnection facility when it is billed, should the parties deem the Percent Local Circuit Use to be zero?	No. The PLCU should be deemed to be 100%. Any other percentage could unreasonably impose higher rates on Intermedia, even though BellSouth would not be incurring higher costs in providing the facility.	Yes. BellSouth proposes a PLCU of zero in such circumstances. Frame Relay interconnection trunks primarily carry traffic outside the LATA. Therefore, the PLCU is typically going to be close to 0%. BellSouth has offered Intermedia a compromise such that the PLCU would be determined in aggregate by dividing the total number of local VCs in a given LATA by the total number of VCs in that LATA. This would result in the same PLCU being applied to all local VCs in a given LATA, even if there are no VCs on a particular frame relay interconnection facility when it is initially turned up for service.	Attachment 3, item 7.5.4 (p. 22)	N/A		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/39

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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<u>Revised Issue 39:</u> What are the appropriate charges for the following:						The parties agreed to condense original issues 39-44 and 47 to one or two issues. The "Revised Issue 39" represents the parties' agreed-to phrasing for these issues as of 2/2/00.
<u>39(a)</u> interconnection trunks between the Parties' frame relay switches?	BellSouth should make its interconnection trunk available to Intermedia at TELRIC prices established for dedicated transport.	Because BellSouth is not required to unbundle packet switching, as a Section 251 obligation, TELRIC pricing methodology is not applicable. Therefore, BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, item 7.5.5 (p. 23), item 7.8 (p. 23) and 7.9.6 (p. 25);	N/A		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/40

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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<u>39(b)</u> frame relay network-to-network interface ("NNT") ports?	Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed.	Because BellSouth is not required to unbundle packet switching, as a Section 251 obligation, TELRIC pricing methodology is not applicable. Therefore, BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.		N/A		<u>ARBITRATE.</u>
<u>39(c)</u> permanent virtual circuit ("PVC") segments (i.e., Data Link Connection Identifier ("DLCT") and Committed Information Rates ("CIR"))?	To prevent over-recovery, the parties should compensate each other only for the DLCT, at a rate based on TELRIC. The interconnection facilities are already accounted for in total, and each carrier will charge its own end users for the portion between the end user and the interconnection facilities.	Because BellSouth is not required to unbundle packet switching, as a Section 251 obligation, TELRIC pricing methodology is not applicable. Therefore, BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, item 7.6 (p. 23) and 7.9.6 (p. 25)	N/A		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/41

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>39(d)</u> requests to change a PVC segment or PVC service order record?	Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed.	Because BellSouth is not required to unbundle packet switching, as a Section 251 obligation, TELRIC pricing methodology is not applicable. Therefore, BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, items 7.9.1 and 7.9.2 (p. 24)	N/A		<u>ARBITRATE.</u>
<u>39(e)</u> How should the Parties compensate each other for requests to change a PVC segment or PVC service order record?	Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed.	BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, item 7.9.3 (p. 24) and 7.9.6 (p. 25)	N/A		CLOSED. This is now part of Revised Issue 39(d).

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/42

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 40:</u> Should compensation for the parties' use of frame relay NNI ports be determined by the parties, or be based on recurring and non-recurring rates in BellSouth's interstate access tariff?	Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed.	BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, item 7.6 (p. 23) and 7.9.6 (p. 25)	N/A		<u>CLOSED.</u> This is now part of Revised Issue 39, by agreement of the parties on 2/2.
<u>Issue 41:</u> Should compensation for the PVC segment between the parties' frame relay switches be determined by the parties, or be based on recurring and non-recurring rates in BellSouth's interstate access tariff?	Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed.	BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, item 7.8 (p. 23) and 7.9.6 (p. 25)	N/A		<u>CLOSED.</u> This is now part of Revised Issue 39, by agreement of the parties on 2/2.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/43

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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<u>Issue 42:</u> Should compensation between the parties for local Permanent Virtual Circuit ("PVC") be based on each party's portion of the non-recurring charge for a Data Link Control Interface ("DLCI"), or on the non-recurring and recurring PVC charges associated with the PVC segment?	Compensation should be based on TELRIC costs, pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed.	BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, items 7.9.1 and 7.9.2 (p. 24)	N/A		<u>CLOSED.</u> This is now part of Revised Issue 39, by agreement of the parties on 2/2.
<u>Issue 43:</u> Should compensation between the parties for interLATA PVCs be based on the non-recurring charge for a DLCI or on the non-recurring and recurring PVC and CIR charges associated with that PVC segment?	Compensation should be based on TELRIC costs, pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed.	BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, item 7.9.2 (p. 24)	N/A		<u>CLOSED.</u> This is now part of Revised Issue 39, by agreement of the parties on 2/2.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/44

ISSUE	INTERMEDIA'S POSITION	BELL SOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
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Issue 44: Should the parties' compensation to each other for requests to change a PVC segment or PVC service order record be determined by the parties or should it be based on BellSouth's interstate access tariff?	Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed	BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.	Attachment 3, item 7.9.3 (p. 24) and 7.9.6 (p. 25)			CLOSED. This is now part of Issue 39, by agreement of the parties on 2/2.
Issue 45: Should the interconnection agreement specifically state that the agreement does not address or alter either party's provision of Exchange Access Frame Relay Service or interLATA Frame Relay Service?	No. This language should be deleted. The parties' agreement should specify the relationship between the parties with regard to these services, without the need for vague and general disclaimers of uncertain effect.	The purpose of this language is to make clear that the parties' obligations with respect to access service are not affected by this local interconnection agreement.	Attachment 3, § 7.9.6	N/A		CLOSED. At the TRA mediation on 4/13, BellSouth agreed to delete this provision in its entirety.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/45

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 46: Should Intermedia's obligation to identify and report quarterly to BellSouth the PLCU of the Frame Relay facilities it uses cease when BellSouth obtains authority to provide in-region interLATA service?	Yes. At the point where BellSouth obtains in region interLATA authority, maintaining a distinction between inter- and intra-LATA frame relay service, and compensation for two separate types of traffic, does not make sense, because the costs of transporting both types of traffic is the same.	BellSouth's obtaining authority to provide in-region interLATA service would have no impact on Intermedia's obligation to identify and report to BellSouth the PLCU of the Frame Relay facilities it uses. BellSouth contends that the language it has proposed in Attachment 3, item 7.12 addresses Intermedia's concern since it states that the parties agree to renegotiate this arrangement for the exchange of Frame Relay Service Traffic within one hundred eighty (180) days of the date BellSouth receives interLATA authority.	Attachment 3, item 7.10 (p. 25)	N/A		CLOSED. Intermedia agreed to accept BellSouth's language.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/46

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
<u>Issue 47:</u> Should BellSouth be required to offer frame relay interconnection at TELRIC rates, and should there be a true-up if it is subsequently found during the term of the agreement that BellSouth's rates were in excess of TELRIC?	Compensation should be based on TELRIC costs, pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed.	BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff.				CLOSED. This is now part of Revised Issue 39, by agreement of the parties on 2/2.
<u>Issue 48:</u> Should the parties adopt the performance measures, standards, and penalties imposed by the Texas Public Utility Commission on Southwestern Bell Telephone?	Yes. These standards have been painstakingly worked out, and the public interest would be served by adopting them. In addition, the imposition of penalties helps to enforce satisfactory performance, and should be adopted.	No. Penalties are not appropriate as an issue for arbitration, and penalties are not a requirement of Section 251 of the Act nor of the FCC's Rules. BellSouth's SQMs are appropriate for all CLECs and are fully enforceable through the Authority's complaint process. BellSouth has offered Intermedia its voluntary proposal for self-effectuating enforcement measures.	Attachment 9 (entire)	N/A		<u>ARBITRATE.</u>

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/22

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 21: Should the parties utilize a definition of a packet switching capability consistent with the FCC's most recent ruling?	Yes.	Unstated	Attachment 2, new item 7.1.1.4 (p. 61)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 302; 47 C.F.R. § 51.319(c)(3).</i>		CLOSED The parties agreed to close this issue, and move its content to a revised Issue 18.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/23

ISSUE	INTERMEDIA'S POSITION	BELL SOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Revised Issue 22: Should BellSouth be required to provide nondiscriminatory access to interoffice transmission facilities, including <i>dedicated transport</i> (defined as incumbent LEC transmission facilities, including all technically feasible capacity-related services including, but not limited to, DS1, DS3 and OCn levels, dedicated to a particular customer or carrier, that provides telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers), <i>dark fiber transport</i> (defined as	Yes. In addition, interoffice transport rates should be consistent with the pricing requirements of the 1996 Act.	BellSouth agrees that it is required to provide nondiscriminatory access to interoffice transmission facilities and has proposed language which it believes is consistent with §51.319(d) of the FCC's UNE Remand Order and with Intermedia's proposed language.	Attachment 2, item 8., new item 8.1.1, 8.3.1, 8.3.1.1 (p. 62)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 321; 47 C.F.R. § 51.319(d).</i>		ARBITRATE. This issue has been revised per the TRA's instructions on 6/2/2000.

REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/24

ISSUE	INTERMEDIA'S POSITION	BELLSOUTH'S POSITION	AGREEMENT SECTION	FCC RULING	WITNESS TESTIMONY	STATUS AS OF 6/13/2000
Issue 23: Should the parties utilize a definition of interoffice transmission facilities consistent with the FCC's most recent ruling, that includes dark fiber, DS1, DS# and OCn levels, and shared transport?	Yes.	Unstated at present.	Attachment s, item 8.1 (p. 62)	<i>Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 322-330; 47CFR, § 51.319(d).</i>		<u>CLOSED</u> . The parties agreed to close this issue, and move its content to a revised Issue 22.