

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

February 23, 2001

IN RE:

PETITION OF BELLSOUTH TELECOMMUNICATIONS, INC.  
TO CONVENE A CONTESTED CASE TO ESTABLISH  
"PERMANENT PRICES" FOR INTERCONNECTION  
AND UNBUNDLED NETWORK ELEMENTS

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DOCKET NO.  
97-01262

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FINAL ORDER

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This matter came before the Tennessee Regulatory Authority ("Authority" or "TRA") at a regularly scheduled Authority Conference held on December 19, 2000, for final determination of the remaining issues in Phase Two of this docket, which are as follows: vertical features, new technology, collocation, expenses, work group activities, and fall-out rates used in the cost studies for certain unbundled network element combinations. This Order reflects the findings and rulings of the Authority at the December 19, 2000 Authority Conference and incorporates by reference the Authority's *Interim Order on Phase I of Proceeding to Establish Prices for Interconnection and Unbundled Network Elements* ("First Interim Order") issued on January 25, 1999; *Order Re: Petitions for Reconsideration and Clarification of Interim Order on Phase I* ("Order on Reconsideration") issued November 3, 1999; *Second Interim Order Re: Revised Cost Studies* ("Second Interim Order") issued on November 22, 2000; and *Third Interim Order Re: BellSouth's Revised Cost Studies* ("Third Interim Order") issued on January 4, 2001.

**TRAVEL OF THE CASE**

The purpose of this docket is to establish cost-based prices for interconnection and