

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of INTERMEDIA
COMMUNICATIONS OF FLORIDA, INC.
for expanded interconnection for
AAVs within LEC central offices.

) DOCKET NO. 921074-TP
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) Filed: July 8, 1993
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**INTERMEDIA COMMUNICATIONS OF FLORIDA, INC.'S
PREHEARING STATEMENT**

Intermedia Communications of Florida, Inc. ("Intermedia"), hereby files this prehearing statement for the hearing presently scheduled to begin on September 10, 1993.

A. Witnesses

Intermedia will present the direct testimony of the following witnesses.

Witness: Jonathan E. Canis

Issues: All

Exhibits: None

B. Basic Position

Expanded interconnection for special access and private line service is in the public interest because it will promote more rapid deployment of new technology, system redundancy and increased protection against disastrous service outages, increased service innovation and greater customer choice, and price competition that will reduce the cost of telecommunications services to all customers. These benefits will not be fully delivered, however, unless the LEC is required to provide physical collocation where there is available central office space.

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ISSUES

ISSUE 1: Is expanded interconnection for special access and/or private line in the Public Interest?

Position: Yes. Benefits from expanded interconnection will include more rapid deployment of new technology, system redundancy and increased protection against disastrous service outages, increased service innovation and greater customer choice, and price competition that will reduce the cost of telecommunications services to all customers. These benefits will be critical to communication dependent businesses, and will promote the general public interest.

ISSUE 2: How does the FCC's order on expanded interconnection impact the Commission's ability to impose forms and conditions of expanded interconnection that are different from those imposed by the FCC's order?

Position: Although Florida is free to determine its own collocation policy for intrastate services, once a physical collocation arrangement is established for interstate services it will not be efficient to establish a conflicting collocation standard for intrastate services.

ISSUE 3: Under what circumstances should the Commission impose different forms and conditions of expanded interconnection?

Position: The Commission should impose physical collocation except in two situations: (1) where the central office lacks adequate space to accommodate physical collocation, and (2) where the LEC and the interconnecting party voluntarily negotiate a virtual collocation agreement. The Commission should establish objective, verifiable criteria for determining whether there is adequate space for physical collocation. The Commission should also establish detailed standards for virtual collocation.

ISSUE 4: Does Chapter 364, Florida Statutes, allow the Commission to require expanded interconnection?

Position: Yes.

ISSUE 5: Does a physical collocation mandate raise federal and/or state constitutional questions about the taking or confiscation of LEC property?

Position: No, for at least two fundamental reasons. First, this Commission enjoys full authority to order the LECs to provide service. Next, the LECs will be appropriately compensated for floorspace and facilities dedicated to the collocator's use.

ISSUE 6: Should the Commission require physical and/or virtual collocation?

Position: The Commission should require physical collocation. Physical collocation ensures that the LEC and collocators interconnect with the LEC's network on the same basis, whereas virtual collocation is both technically and economically inferior to physical collocation. On the other hand, a virtual collocation or "LEC choice" policy would be inefficient because it would conflict with the FCC's physical collocation policy, and would require collocators to build unnecessary and duplicative collocation arrangements, and to artificially segregate their interstate and intrastate traffic.

ISSUE 7: What LECs, if any, should be required to provide expanded interconnection?

Position: Only Tier I LECs should be required to offer collocation as a tariffed, generally available service. Other LECs may control central offices that are critically important to competitors, however. The Commission should therefore review requests for collocation in non-Tier I LEC central offices on a case-by-case basis where that LEC has the technical ability to accommodate collocation.

ISSUE 8: Where should expanded interconnection be offered?

Position: The Commission should adopt the compromise approach used by the FCC in which a LEC initially would tariff only the top 10% of the COs in its service area. However, collocators would be allowed a period within which to request the tariffing of additional COs. In addition, LECs must respond to bona fide requests for collocation in new or additional COs within 30 days of receiving such requests.

ISSUE 9: Who should be allowed to interconnect?

Position: Any entity that wishes to terminate its own special access transmission facility at a LEC's central office should be allowed to interconnect.

ISSUE 10: Should the same terms and conditions of expanded interconnection apply to AT&T as apply to other interconnection?

Position: No position at this time.

ISSUE 11: Should the Commission require standards for physical and/or virtual collocation? If so, what should they be?

Position: Yes. For physical collocation, the Commission should simply establish that the standards for interconnection are the same technical standards followed by the LEC for its own interconnection to its network. For virtual collocation (allowed where physical collocation is not practical or under negotiation), the Commission should prescribe standards governing at least the following: (a) cost support for the LEC's rate elements and the tariff generally; (b) provisioning and maintenance intervals of collocator equipment; (c) ownership of collocator equipment; (d) right of the collocator to supply its own equipment; (e) training costs of LEC personnel; and (f) handling of collocator equipment.

ISSUE 12: Should collocators be required to allow LECs and other parties to interconnect with their networks?

Position: Yes. Intermedia is willing to provide reciprocal interconnection arrangements for LECs or other parties, upon similar terms and conditions as those established by the LECs.

ISSUE 13: What standards should be established for the LECs to allocate space for collocators?

Position: The provisioning standard should be first come first served. The standard for denying space on the basis of unavailability should be one of reasonableness, taking into account the total central office space, the amount of space not currently used for provision of service and the amount of space reserved for services that may be provided over the next three years. The

burden should be on the LEC to justify the denial of physical collocation.

ISSUE 14: Should the Commission allow expanded interconnection for non-fiber optic technology?

Position: No position at this time.

ISSUE 15: If the Commission permits expanded interconnection, what pricing flexibility should the LECs be granted for special access and private line services?

Position: None. The Commission already has granted LECs substantial pricing flexibility -- allowing them to offer contract serving arrangements and individual case basis pricing, under which the LECs may price their services at nearly any level they desire, so long as they meet the LECs' long run incremental costs. This degree of flexibility allows the LECs to meet the competitive challenge posed by AAVs, but imposes certain limits on that flexibility to help ensure that LECs do not unfairly cross-subsidize their competitive services. Moreover, this existing pricing flexibility combines with other monopolistic competitive advantages enjoyed by the LECs to make them extremely formidable competitors in the provision of special access and private line services. In short, permitting expanded interconnection simply allows the LEC competitor onto the playing field, which remains tipped in the LEC's favor.

ISSUE 16: If the Commission permits collocation, what rates, terms, and conditions should be tariffed by the LEC?

Position: All rates and charges associated with physical and virtual collocation should be tariffed. These elements would include: central office space rental, cross-connects, power and other utilities, cage constructions, cable and conduit, splicing, testing, training, order processing, engineering and design, and central office space preparation.

ISSUE 17: Should all special access and private line providers be required to file tariffs?

Position: No. A tariffing requirement for competitive access providers is superfluous. These providers have no captive customer base from which they can exact monopoly profits. Furthermore, as recognized by the Commission in

its Alternative Access Vendor Order, No. 24877, AAV customers are generally sophisticated users who do not need expansive Commission protection. Thus, the Commission declined in its AAV Order to require tariffing by AAVs. The considerations that informed that decision still hold true today.

ISSUE 18: What separations impact will expanded interconnection have on the LECs?

Position: For special access, none.

ISSUE 19: How would ratepayers be financially affected by expanded interconnection?

Position: Ratepayers who receive the benefit of competition in special access and private line services will enjoy improved services at reduced prices. This financial benefit will promote the general public interest by lowering input costs for the production of goods and services.

ISSUE 20: Should the Commission grant Intermedia's petition?

Position: Yes.

ISSUE 21: Should expanded interconnection be subject to a "net revenue test" requirement in order to avoid possible cross-subsidy concerns?

Position: No position at this time.

G. **Stipulated Issues**

None.

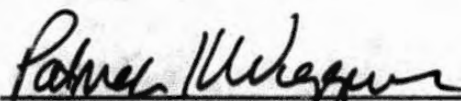
H. **Pending Matters**

None.

I. **Requirements That Cannot Be Complied With**

None.

Respectfully submitted this 8th day of July, 1993.



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CERTIFICATE OF SERVICE

Docket No. 921074-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by United States Mail this 8th day of July, 1993, to the following.

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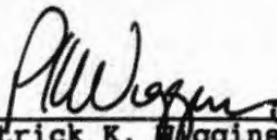
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