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July 8, 1993

Mr. Steven C. Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399

Re: Docket No. 921074-TP

Dear Mr. Tribble:

Enclosed for filing in the above referenced docket are one (1) original and fifteen (15) copies of the Rebuttal Testimony of Mike Guedel on behalf of AT&T. Copies of the foregoing are being served on all parties of record in accordance with the attached Certificate of Service.

Yours truly,

Michael W. Tye
Michael W. Tye

MWT:sad

Attachments

cc: J. P. Spooner, Jr.
Parties of Record

ACK	<input checked="" type="checkbox"/>
AFA	<input checked="" type="checkbox"/>
APP	<input type="checkbox"/>
CAF	<input type="checkbox"/>
CMU	<input checked="" type="checkbox"/>
CTR	<input type="checkbox"/>
EAG	<input type="checkbox"/>
LEG	<input checked="" type="checkbox"/>
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CPC	<input type="checkbox"/>
ROH	<input type="checkbox"/>
SEC	<input checked="" type="checkbox"/>
WAS	<input type="checkbox"/>
OTH	<input type="checkbox"/>

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29
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

07355 JUL-83

FPSC-RECORDS/REPORTING

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
SUBMITTED FOR FILING:
July 8, 1993**

**REBUTTAL TESTIMONY OF MIKE GUEDEL
ON BEHALF OF AT&T COMMUNICATIONS
OF THE SOUTHERN STATES, INC.**

JULY 8, 1993

DOCUMENT NUMBER-DATE

07355 JUL-83

RECORDS/REPORTING

1 Q. WILL YOU PLEASE IDENTIFY YOURSELF?

2

3 A. My name is Mike Guedel and my business address is
4 AT&T, 1200 Peachtree Street, NE, Atlanta, Georgia
5 30309.

6

7

8 Q. ARE YOU THE SAME MIKE GUEDEL THAT FILED DIRECT
9 TESTIMONY IN THIS PROCEEDING ON JUNE 24, 1993?

10

11 A. Yes, I am.

12

13

14 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

15

16 A. The purpose of my testimony is to rebut specific
17 arguments and recommendations made in the testimony
18 of Mr. Gillan on behalf of FIXCA.

19

20

21 Q. HAS MR. GILLAN ACCURATELY CHARACTERIZED THE
22 COMPARATIVE ADVANTAGES OF THE POST DIVESTITURE
23 INTEREXCHANGE TELECOMMUNICATIONS ENVIRONMENT?

24

25 A. No. In a competitive environment, it is rarely if

1 ever the case that two firms find themselves
2 identically situated. Each firm tends to exhibit
3 some comparative advantages over its competitors
4 generally resulting from its management choices.
5 Indeed, the competitive process encourages the
6 development of these comparative advantages as it
7 challenges each competing firm to find better ways
8 to serve its customers. Mr. Gillan argues that AT&T
9 has some potential advantages with respect to
10 interconnection due to its once "having been a part
11 of an integrated telephone industry." That
12 potential advantage arguably stems from some
13 existing collocation arrangements with the local
14 exchange companies. Mr. Gillan, however, ignores
15 the potential competitive advantages AT&T's rivals
16 enjoy as having not been "a part of an integrated
17 telephone industry" - i.e., the ability to build
18 networks with state of the art technology
19 unencumbered by existing facilities, the ability to
20 target specific customers, services and/or
21 geographic regions to seek the highest returns, and
22 the freedom of consistently less pervasive
23 regulation. After nearly ten years of post
24 divestiture competition, the marketplace is
25 balancing these issues. Additional regulatory

1 intervention is neither warranted or desired from
2 the standpoint of the public interest. Regulators
3 should instead be working to remove the remaining
4 outdated encumbrances that inhibit the workings of a
5 fully competitive interexchange marketplace.
6
7

8 Q. DID THE FCC INVESTIGATE THE ISSUE OF POTENTIAL
9 ADVANTAGES THAT MAY ACCRUE TO AT&T AS A RESULT OF
10 SOME EXISTING COLLOCATION ARRANGEMENTS?
11

12 A. Yes. Similar arguments and recommendations as
13 presented here by Mr. Gillan were delivered before
14 the FCC in the course of the lengthy investigation
15 of CC Docket No. 91-141. The FCC weighed the
16 evidence and concluded at paragraph 67 of Order No.
17 92-440:
18

19 In particular, we do not believe that
20 AT&T's large number of POPs and their proximity
21 to LEC end offices and serving wire centers is
22 an advantage that warrants broader restriction
23 on AT&T's use of expanded interconnection.
24 AT&T's network architecture does mean that AT&T
25 would incur fewer costs than other IXCs in

1 building its own special access facilities to
2 connect with the LECs under expanded
3 interconnection. This is offset somewhat by
4 the added capital costs that AT&T incurred when
5 it put these facilities in place initially, and
6 the additional operating expenses that they
7 cause.

8
9 The FCC found that the public interest would best be
10 served by allowing AT&T to interconnect at the same
11 rates, terms, and conditions as any other third
12 party interconnector.

13
14
15 Q. UNDER THE FCC RULES, DOES AT&T AUTOMATICALLY RECEIVE
16 INTERCONNECTION RATES AT OFFICES WHERE IT HAS
17 EXISTING COLLOCATED FACILITIES?

18
19 A. No. In order to receive interconnection rates, AT&T
20 must first establish a new, separate location within
21 the LEC central office consistent with
22 interconnection standards, and it must connect with
23 LEC facilities in the same manner as any other
24 potential interconnector. This effort could include
25 the movement, rearrangement and/or reengineering of

1 existing equipment, or the purchase of new equipment
2 and facilities to meet the interconnection
3 standards. Unless or until AT&T makes the changes,
4 it continues to pay the same "local channel" rates
5 and other service charges that it pays today.

6
7 Q. SO AT&T MUST GO THROUGH THE SAME PROCESS AS ANY
8 OTHER POTENTIAL INTERCONNECTOR?

9
10 A. Yes. AT&T must make the same arrangements, purchase
11 the same floor space, locate the same (or similar)
12 equipment, and pay the same tariffed rates for
13 interconnection as any other potential consumer of
14 interconnection services. The amount of facility
15 construction required to interconnect to any
16 specific central office will vary from
17 interconnector to interconnector. The extent that
18 AT&T may require less new facilities to interconnect
19 to any specific central office only represents the
20 fact that AT&T has already built the required
21 facilities (generally with post divestiture dollars
22 i.e., these facilities were not inherited at
23 divestiture). AT&T should not be penalized for that
24 investment - nor should any other potential
25 interconnector be penalized or unduly rewarded for

1 the investments that it has made.

2

3

4 Q. MR. GILLAN HAS SUGGESTED THAT IN ADDITION TO THE
5 REQUIREMENTS IMPOSED ON AT&T BY THE FCC, THIS
6 COMMISSION SHOULD FURTHER RESTRICT AT&T'S ABILITY TO
7 INTERCONNECT UNTIL EXPANDED INTERCONNECTION IS BEING
8 PURCHASED AND MADE AVAILABLE TO OTHER INTEREXCHANGE
9 CARRIERS BY A COLLOCATED AAV. IS THIS ADDITIONAL
10 RESTRICTION APPROPRIATE?

11

12 A. No. The solution prescribed by the FCC has struck a
13 balance between the commitment to foster the
14 expansion of competition within the local exchange
15 and the preservation of free competition among
16 potential interconnectors. Additional restrictions
17 on AT&T or any other potential competitor would only
18 tend to stifle the development of a competitive
19 local exchange and undermine the very purpose of
20 expanded interconnection. The Commission should
21 reject the artificial restrictions proposed by FIXCA
22 and sponsor instead the development of unrestricted
23 competitive interconnection.

24

25

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2

3 A. Yes.

4

CERTIFICATE OF SERVICE

DOCKET NO. 921074-TP

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U. S. Mail or hand-delivery to the following parties on this 5th day of July, 1993:

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