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January 25, 1996

Ms. Blanca Bayo, Director Division of Records and Reporting Florida Public Service Commission Room 110, Easley Building 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

Re: Docket No. 950985-TP

Dear Ms. Bayo:

Enclosed for filing on behalf of McCaw Communications of Florida, Inc., please find the original and 15 copies of the Posthearing Brief in the above-referenced docket. Also enclosed is a 3 1/2" diskette with the document on it called "MCCAWPHB."

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Sincerely,

Orman H. Horton, Jr.

Your attention to this filing is appreciated.

NHH/alb

OTH

Enclosures

William H. Higgins, Esq.

) Parties of Record

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DOCUMENT HUMBER-DATE

00946 JAN 25 #

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Poshearing Brief of McCaw Communications of Florida, Inc. in Docket No. 950985-TP has been furnished by Hand Delivery (*) and/or U. S. Mail on this 25th day of January, 1996 to the following parties of record:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution of Petitions)
to Establish Nondiscriminatory)
Rates, Terms, and Conditions)
for Interconnection Involving)
Local Exchange Companies and)
Alternative Local Exchange)
Companies)

Docket No. 950985-TP Filed: January 25, 1996

POSTHEARING BRIEF OF McCAW COMMUNICATIONS OF FLORIDA, INC.

McCaw Communications of Florida , Inc., on behalf of itself and its Florida regional affiliates, ("McCaw"), pursuant to Rule 25-22.056, Florida Administrative Code, and Order No. PSC-95-1084-PCO-TP, respectfully submits the following Posthearing Brief to the Florida Public Service Commission.

I. BASIC POSITION

For local competition to develop, the competing local carriers must interconnect pursuant to rates, terms, and conditions that meet the technical and economic needs of each party. To the extent such rates, terms, and conditions cannot be negotiated, this Commission must establish nondiscriminatory rates, terms and conditions.

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II. ISSUES AND POSITIONS

Issue 1: What are the appropriate rate structures, interconnection rates, or other compensation arrangements for the exchange of local and toll traffic between the respective ALECs and Southern Bell?

SUMMARY OF POSITION: *Interconnection rates, structure and arrangements should not impair development of competition. A bill and keep approach appears to be the most appropriate interim approach, and it may be a long term viable solution. If a minute of use charge is to be established, it should be set at cost without any further mark up or contribution.*

ANALYSIS AND ARGUMENT: In adopting sweeping changes to Chapter 364, the Legislature plainly stated that it found the competitive provision of telecommunication services to be in the public interest. The Legislature also found there to be a need for regulatory oversight to protect consumers and provide for the development of fair and effective competition. In order for competition to develop there must be appropriate arrangements in place so that new entrants will have the ability to complete and to have use of and access to the existing network (TR 51, 321, 402, 437). It is not only important that new entrants have access to the network, but existing providers must also have access to the

facilities of the new providers so that callers on one network may seemlessly reach customers of any other network. The rates and arrangements proposed by BellSouth in this proceeding will not advance the findings of the Legislature, but instead will impair and possibly prevent development of competition.

While some competitive providers have reached agreement with BellSouth on the technical, operational and financial arrangements (Composite Exhibit 15), not all carriers have. There was a general view that even through there were some areas of disagreement with the terms of the stipulation, nevertheless, there was expectation that the various parties should be able to reach agreement on technical and operational issues (TR 176, 179, 350, 440). Such is not the case for rates for interconnection however.

BellSouth is proposing that the interconnection rate to be paid by providers who have not signed the stipulation will be based on switched access, (TR 521) even though there has been no cost study for local interconnection (TR 548). However, those providers who sign the stipulation will pay only the local transport and local switch elements and that rate is less than one forth of the rate to be paid by nonsignators. (TR 535-538) There was testimony that the lower rate is high enough to cover the cost of terminating

calls, plus provide a contribution toward shared costs (TR 535), and that the RIC and CCL (other elements of total access charges) are contribution elements rather than cost recovery elements. (TR 525) Thus those providers who are assessed the higher rate will be contributing greatly in excess of costs (TR 549). Even a BellSouth witness testified that interconnection rates should reflect the cost of providing interconnection (TR 678).

Rather than encouraging competition and facilitating entry of competitive providers, the proposal forwarded by BellSouth would have the new providers paying much more than the costs of interconnection. This seems to be little more than an attempt to assess an entry fee on these new providers with an eye to keeping BellSouth whole and to limiting competition. (TR 685, 757) The Commission should not allow such to happen.

There was also sharp disagreement between the parties as to the method of payment between the parties with the petitioners and intervenors supporting a bill and keep arrangement, and BellSouth opposing such an arrangement. Bill and keep may not be the most efficient arrangement of the long run, but it has certainly worked as to arrangements between BellSouth and the other LECs. Moreover it is simple and can be quickly implemented (TR 430). In order for

consumers to begin to enjoy the benefits of competition, the Commission should implement arrangements which have worked--in this case bill and keep. Alternatively, local interconnection should be at cost.

Issue 2: If the Commission sets rates, terms, and conditions for interconnection between the respective ALECs and Southern Bell, should Southern Bell tariff the interconnection rate(s) or other arrangements?

SUMMARY OF POSITION: *Yes.*

ANALYSIS AND ARGUMENT: There does not appear to be any disagreement among the parties on this issue.

Issue 3: What are the appropriate technical and financial arrangements which should govern interconnection between the respective ALECs and Southern Bell for the delivery of calls originated and/or terminated from carriers not directly connected to the respective ALECs' network?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.*

ANALYSIS AND ARGUMENT: The individual technical and operational issues associated with each ALEC's service needs should be resolved in a manner that facilitates the competitive provision

of service. The ability to interconnect with one another is as important to a LEC as it is to an ALEC. (TR 688) Without this ability, customers would not be served.

The parties may be able to reach agreement on technical and operational issues and enter into agreements with BellSouth, as has been the case with some of the petitioners in this docket. Parties should be encouraged to reach an accord, but should not have the terms of agreements reached with others imposed on them. (TR 155) Each ALEC is in the best position to determine how it can best serve its customers. Generally, the two sides have informally resolved most technical issues. Accordingly, those informal agreements should be implemented. Where there is no agreement at all, the ALEC position should be approved so it can offer service.

Issue 4: What are the appropriate technical and financial requirements for the exchange of intraLATA 800 traffic which originates from the respective ALECs' customer and terminates to an 800 number served by or through Southern Bell?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.*

Issue 5a: What are the appropriate technical arrangements for the interconnection of the respective ALECs' network to Southern Bell's 911 provisioning network such that the respective ALECs' customers are ensured the same level of 911 service as they would receive as a customer of Southern Bell?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.

ANALYSIS AND ARGUMENT: See Issue No. 3.

Issue 5b: What procedures should be in place for the timely exchange and updating of the respective ALECs customer information for inclusion in appropriate E911 database?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.*

ANALYSIS AND ARGUMENT: See Issue No. 3.

Issue 6: What are the appropriate technical and financial requirements for operator handled traffic flowing between the respective ALECs and Southern Bell including busy line verification and emergency interrupt services?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.*

Issue 7: What are the appropriate arrangements for the provision of directory assistance services and data between the respective ALECs and Southern Bell?

SUMMARY OF POSITION: *The requests of the ALECs should be

approved.*

ANALYSIS AND ARGUMENT: See Issue No. 3.

Issue 8: Under what terms and conditions should Southern Bell be required to list the respective ALECs' customers in the white and yellow pages directories and to publish and distribute these directories to the respective ALECs' customers?

SUMMARY OF POSITION: *The requests of the ALECs should be

approved.*

ANALYSIS AND ARGUMENT: See Issue No. 3.

Issue 9: What are the appropriate arrangements for the provision of billing and collection services between the respective ALECs and Southern Bell, including billing and clearing credit card, collect, third party and audiotext calls?

SUMMARY OF POSITION: *The requests of the ALECs should be

approved.*

Issue 10: What arrangements are necessary to ensure the provision of CLASS/LASS services between the respective ALECs and Southern Bell's networks?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.*

ANALYSIS AND ARGUMENT: See Issue No. 3.

Issue 11: What are the appropriate arrangements for physical interconnection between the respective ALECs and Southern Bell, including trunking and signaling arrangements?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.*

ANALYSIS AND ARGUMENT: See Issue No. 3.

Issue 12: To the extent not addressed in the number portability docket, Docket No. 950737-TP, what are the appropriate financial and operational arrangements for interexchange calls terminated to a number that has been "ported" to the respective ALECs?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.*

Issue 13: What arrangements, if any, are necessary to address other operational issues?

SUMMARY OF POSITION: *The requests of the ALECs should be approved.*

ANALYSIS AND ARGUMENT: See Issue No. 3.

Issue 14: What arrangements, if any, are appropriate for the assignment of NXX codes to the respective ALECs?

<u>SUMMARY OF POSITION</u>: *Such assignments should be on a nondiscriminatory basis, with each carrier recovering its own NXX establishment charges.*

ANALYSIS AND ARGUMENT: Given the positions as stated in the prehearing order, there is not wide disparity on this issue. BellSouth should make numbers available to all ALEC's in the same manner as for itself and independents.

Dated this 25th day of January, 1996.

Respectfully submitted,
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