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Michael W. Tye Sr. Attorney

February 21, 1996

Mrs. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

> Re: Docket No. 950984-TP MFS/GTE & United-Centel

Dear Mrs. Bayo:

Enclosed for filing in the above referenced docket are an original and fifteen (15) copies of AT&T's Prehearing Statement.

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

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Attachments

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

RECEIVED & FILED

EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE 02075 FEB21 # FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution of Petition(s)) to establish nondiscriminatory) rates, terms, and conditions for) DOCKET NO. 950984-TP resale involving local exchange) MFS v. United/Centel companies and alternative local) and GTEFL exchange companies pursuant to) Section 364.161, Florida Statutes.) FILED: 2/21/96

AT&T'S PREHEARING STATEMENT

AT&T Communications of the Southern States, Inc. (hereinafter "AT&T"), pursuant to Rule 25-22.038, Florida Administrative Code, and order of the Florida Public Service Commission (hereinafter the "Commission") hereby submits its Prehearing Statement in the above-referenced docket.

A. <u>Witnesses</u>

AT&T intends to sponsor the testimony of the following witnesses:

1. <u>Mike Guedel</u>: Mr. Guedel's direct testimony responds to Issues 1 through 4. His testimony describes, in a generic sense, the concept of unbundling and its role in interconnection arrangements. His testimony further demonstrates why it is necessary for the incumbent LECs to unbundle their local networks and recommends specific guidelines for the technical arrangement and pricing of the local unbundled network elements.

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2. Joseph Gillan: Mr. Gillan will present rebuttal testimony which responds to the direct testimonies of LEC witnesses. His testimony specifically responds to the LEC pricing proposals and also addresses the network elements that the LECs propose to offer.

AT&T further reserves the right to call any additional witnesses and present any additional evidence that might be necessary to respond to matters which are raised for the first time at the hearings in this docket.

B. Exhibits.

AT&T has not prefiled any exhibits in this case. However, AT&T reserves the right to present any exhibits that may be necessary to cross-examine opposing witnesses or to respond to matters which are raised for the first time at the hearings in this proceeding.

C. Basic Position.

AT&T submits that attempts to promote the development of local exchange competition serve the public interest, but it must be recognized that the general availability of facilities-based competition, while desirable, is not likely to develop in the near term. Therefore, to encourage the development of potential local competition, and to encourage the breadth of competitive availability, the Commission must order the LECs to unbundle their services into underlying

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Basic Network Functions (hereinafter "BNFs".) The unbundled BNFs should be offered to new entrants under the same basic arrangements and with the same technical capabilities as they are used by the LEC in the provision of its services. To further encourage the potential development of competition, the unbundled elements should be priced at the Total Service Long Run Incremental Cost (hereinafter "TSLRIC") incurred by the LEC in providing each element.

D. Fact Issues.

See Attachment 1 (AT&T's Positions on Issues).

E. Legal Issues.

See Attachment 1 (AT&T's Positions on Issues).

F. Policy Issues.

See Attachment 1 (AT&T's Positions on Issues).

G. Position on Issues.

See Attachment 1 (AT&T's Positions on Issues).

H. Stipulated Issues.

AT&T is not aware of any issues that have been stipulated to by the parties.

I. Pending Motions.

AT&T is not aware of any pending motions.

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J. Other Requirements.

AT&T is not aware of any requirements set forth in the Order on Prehearing Procedure with which it is unable to comply.

Respectfully submitted this 21st day of February, 1996.

Michael W. Tye

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msc/mo

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ATTORNEYS FOR AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.

ATTACHMENT 1 DOCKET NO. 950984-TP

AT&T'S POSITIONS ON ISSUES

- ISSUE 1: What elements should be made available by
 United/Centel and GTEFL to MFS-FL on an unbundled basis
 (e.g., loop elements, port elements, loop
 concentration, and loop transport)?
- ATET'S POSITION: The LECs should be required to unbundle local loops and local switching ports.

The local loop functions to connect an end user premises to the service wire center of the local exchange company. The traditional local loop facility can be divided onto three sub-elements: loop distribution, loop multiplexing and concentration, and loop feeder.

The local switch functions to create on demand temporary paths connecting local loops to other local loops or local loops to interoffice transport facilities. Typical switching functions include: 1) recognizing service requests, 2) obtaining call specific information, 3) data analysis, 4) route selection, 5) call completion, 6) testing and recording, etc. Further local switching BNFs must include access to unbundled Advanced Intelligent Network (AIN) triggers. These triggers will offer a new entrant certain call control capability within the LEC switch allowing it to customize its end user offerings without having to duplicate the LEC switch.

AT&T WITNESSES: Mike Guedel Joseph Gillan

ISSUE 2: What are the appropriate technical arrangements for the provision of such unbundled elements?

ATET'S POSITION: The overarching guideline should be to provide the unbundled elements in such a manner as to not inhibit the new entrant from providing the same quality of service as the incumbent LEC. That means that the technical arrangements used to connect the

unbundled elements(s) to a new entrant's network should be equal to those currently used to connect the elements(s) within the LEC's own network. New entrants should have cooperatively engineered interconnection arrangements, equal service quality or performance parity, and the opportunity to interconnect at the same points or virtually the same points where practicable as the incumbent LEC.

AT&T WITNESSES: Mike Guedel Joseph Gillan

ISSUE 3: What are the appropriate financial arrangements for each such unbundled element?

ATGT'S POSITION: The target price for the unbundled elements should be the Total Service Long Run Incremental Cost (TSLRIC) that the LEC incurs in providing them. Pricing at TSLRIC will simultaneously ensure that the incumbent LEC recovers all of the costs that it incurs in providing the unbundled element(s) (including cost of money), while it encourages the potential development of competition by offering the unbundled element(s) (at least from a price perspective) in a competitively neutral manner.

AT&T WITNESSES: Mike Guedel Joseph Gillan

ISSUE 4: What arrangements, if any, are necessary to address other operational issues?

AT&T'S POSITION: AT&T takes no position on this issue at this time.

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225 S. Adams St., Ste 200

CERTIFICATE OF SERVICE

DOCKET NO. 950984-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

of record this 2/57 day of Filoning , 1996:

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