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September 4, 1996

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

Re: Docket Number 960980-TP  
In re: Petition by MCI for Arbitration with GTE Florida Incorporated  
Concerning Interconnection and Resale under the Telecommunications  
Act of 1996

Dear Ms. Bayo:

Please find enclosed for filing an original and fifteen copies of GTE Florida Incorporated's Reply to MCI's Motions for Consolidation and to Establish "Mediation Plus" Procedure. Service has been made as indicated on the Certificate of Service.

Sincerely,

Kimberly Caswell

KC/cd

Enclosures **RECEIVED & FILED**

A part of GTE Corporation

- ACK
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- LIN   5
- OPC
- RCH
- SEC   1
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition by MCI for arbitration of certain )  
terms and conditions of a proposed agreement ) Docket No. 960980-TP  
with GTE Florida, Incorporated concerning ) Filed: September 4, 1996  
interconnection and resale under the )  
Telecommunications Act of 1996 )  
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**GTE FLORIDA INCORPORATED'S REPLY TO MCI'S MOTIONS FOR CONSOLIDATION AND TO ESTABLISH "MEDIATION PLUS" PROCEDURE**

MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. (collectively, MCI) filed their petition for arbitration in this docket on August 26, 1996. In conjunction with the petition, MCI also filed (1) a motion for consolidation of this proceeding with the AT&T/GTE Florida Incorporated (GTEFL) arbitration; and (2) a motion to establish procedure for mediating the technical, operational, and administrative issues outstanding between GTEFL and MCI. GTEFL supports these motions to the extent that they would allow speedy resolution of the core pricing and costing issues in this proceeding, while permitting the parties to resolve less contentious matters through ongoing negotiations.

MCI has asked the Commission to consolidate this proceeding with the AT&T/GTEFL arbitration that AT&T initiated by petition on August 16. Under MCI's request, the current hearing schedule for the AT&T/GTEFL arbitration would be used to address the major issues outstanding between GTEFL and MCI (although GTEFL understands that testimony filing dates would still be keyed to the August 26 Petition date) These issues include "the menu of network elements to be unbundled, the price of unbundled elements, the price of interconnection, the scope of services that must be available for resale, and the appropriate wholesale price level for resold services." See MCI Motion to Establish Procedure for "Mediation Plus" (MCI Mediation

Motion) at 1-2. The parties have not reached significant agreement on these key issues.

GTEFL believes, however, that substantial headway may be made in resolving the other issues--the technical, operational, and administrative matters. MCI suggests appointment of a Commission mediator to manage ongoing negotiations on the technical, operational, and administrative issues, with arbitration of these matters as a last resort if the negotiations fail.

GTEFL believes that consolidation of the major issues in this proceeding with the AT&T/GTEFL arbitration is appropriate. Based on their respective arbitration petitions and associated testimony, it appears that AT&T's and MCI's positions will address similar issues. Consolidation of the proceedings would thus reduce unduly repetitive written and oral testimony, cross-examination, and pre- and post-hearing filings. As MCI points out in its request, Commission rules and the Act support consolidation of these proceedings in the interest of promoting administrative economy. (MCI Motion for Consolidation at 3-4.) The time and resources saved through consolidation will be of critical benefit to both the parties and the Commission, which is compelled by the Telecommunications Act to conduct numerous complex arbitrations within an exceedingly compressed time frame.

Resolution of the technical, operational, and administrative issues outside of a hearing can yield similar benefits. The core issues of these arbitrations are the cost and pricing of interconnection and unbundled elements and resale. Full arbitration is reasonable for these highly contentious issues. GTEFL agrees with MCI, however, that application of the Commission's arbitration procedures to the multitude of all of the other technical, operational and administrative issues "could result in overburdening the Commission with detailed issues that may yet be capable of negotiated settlement by the parties." (MCI Mediation Motion at 3.)

GTEFL continues to hope that it and MCI can successfully conclude their negotiations on these non-price issues. The Act contemplates that the Commission will become involved only when problems arise in the negotiations or the parties reach an impasse. In this case, there is no indication that intractable problems have arisen such that Commission intervention--through mediation or other means--is necessary. Indeed, as MCI acknowledges, agreement in principle has been reached on some of the technical, operational, and administrative issues, and all that remains is drafting specific contract language. As such, the process of voluntary negotiations contemplated by the Act should be allowed to run its course without mediation or scheduling any back-up hearings, as MCI suggests.

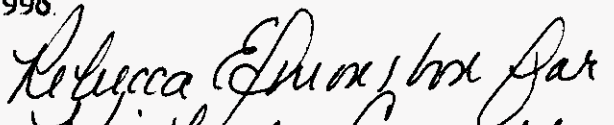

If, however, the Commission feels uncomfortable relying solely on the parties to conclude their negotiations, GTEFL would accept mediation in confidence. Like voluntary negotiations, mediation will serve to separate the pricing and other major issues from the less controversial technical, operational, and administrative matters--many or all of which can likely be resolved without a hearing. This approach is thus consistent with efficient use of Commission resources.

GTEFL recommends, however, that the Commission modify the timetable MCI has proposed for the mediation process. Because resolution of any outstanding non-price issues would, GTEFL believes, quickly follow upon settlement of the pricing issues, GTEFL suggests that mediation should not be required to conclude in October, just a few days after the hearing, as MCI recommends. GTEFL believes that a later deadline for submission of any agreements--one month after issuance of the recommendation on the major, arbitrated issues--would be more rational and in keeping with the goal of avoiding unnecessary hearings and related procedures.

For all the reasons set forth in this filing, GTEFL supports consolidation of the major

issues in this case with the AT&T/GTEFL arbitration. (If the Commission grants MCI's consolidation request, the testimony dates for the MCI portion of the case would not change; direct testimony would still be due 25 days from August 26, with rebuttal testimony due 14 days after submission of direct testimony ) GTEFL also supports bifurcation of the technical, operational, and administrative issues from the pricing and other major issues in order to permit continued negotiations or mediation in a confidential proceeding.

Respectfully submitted on September 4, 1996.

By:   
  
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Certificate of Service

I HEREBY CERTIFY that a copy of GTE Florida Incorporated's Reply in Docket No. 960980-TP was furnished to the following parties by U.S. mail on September 4, 1996.

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