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LAW OFFICES  
MESSER, CAPARELLO, MADSEN, GOLDMAN & METZ  
A PROFESSIONAL ASSOCIATION

215 SOUTH MONROE STREET, SUITE 701  
POST OFFICE BOX 1876  
TALLAHASSEE, FLORIDA 32302-1876  
TELEPHONE: (904) 222-0720  
TELECOPIERS: (904) 224-4359; (904) 425-1942

September 20, 1996

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

**BY HAND DELIVERY**

Re: Docket No. 960916-TP 900833

Dear Ms. Bayo:

Enclosed are an original and fifteen copies of the Prehearing Statement of American Communications Services, Inc. and American Communications Services of Jacksonville, Inc. in the above- referenced docket. Also enclosed is a diskette with the document on it in WordPerfect 6.0/6.1 format.

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

Thank you for your assistance in this matter.

Sincerely,

*Norman H. Horton, Jr.*  
Norman H. Horton, Jr.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU Feit JHH/amb
- CTR \_\_\_\_\_ Enclosures
- EAG \_\_\_\_\_ cc: James Falvey, Esq.
- LEG 1 Parties of Record
- LIN 5
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

|   |   |                           |
|---|---|---------------------------|
| In Re: Petitions by AT&T Communications       | ) |                           |
| of the Southern States, Inc., MCI             | ) |                           |
| Telecommunications Corporation, MCI           | ) | Docket No. 960833-TP      |
| Metro Access Transmission Services, Inc.,     | ) | Docket No. 960846-TP      |
| American Communication Services, Inc. and     | ) | Docket No. 960916-TP      |
| American Communication Services of            | ) | Filed: September 20, 1996 |
| Jacksonville, Inc. for arbitration of certain | ) |                           |
| terms and conditions of a proposed agreement  | ) |                           |
| with BellSouth Telecommunications, Inc.       | ) |                           |
| concerning interconnection and resale under   | ) |                           |
| the Telecommunications Act of 1996            | ) |                           |
| <hr/>   |   |                           |

**PREHEARING STATEMENT OF  
 AMERICAN COMMUNICATIONS SERVICES, INC. AND  
AMERICAN COMMUNICATIONS SERVICES OF JACKSONVILLE, INC.**

American Communication Services, Inc. and American Communication Services of Jacksonville, Inc. ("ACSI"), through undersigned counsel, respectfully submits its prehearing statement.

**A. APPEARANCES**

Floyd R. Self, Esq. and Norman H. Horton, Jr., Esq.  
 Messer, Caparello, Madsen, Goldman & Metz, P.A.  
 Post Office Box 1876  
 Tallahassee, FL 32302-1876

James Falvey, Esq.  
 American Communications Services, Inc.  
 131 National Business Parkway, Suite 100  
 Annapolis Junction, MD 20701

Brad E. Mutschelknaus, Esq.  
 Edward A. Yorkgitis, Jr., Esq.  
 Kelley, Drye & Warren, L.L.P.  
 1200 19th Street, N.W., Suite 500  
 Washington, D.C. 20036

On behalf of American Communications Services, Inc. and American Communications Services of Jacksonville, Inc.

## B. WITNESSES

| <u>Witness</u>                       | <u>Issues</u> |
|--------------------------------------|---------------|
| Dr. Marvin Kahn - Direct             | 10a and 10b   |
| Mr. Richard Robertson - Direct       | 10a and 10b   |
| Mr. C. William Stipe, III - Direct   | 10a and 10b   |
| Dr. Marvin H. Kahn - Supplemental    | 10a and 10b   |
| Dr. Marvin H. Kahn - Rebuttal        | 10a and 10b   |
| Mr. C. William Stipe, III - Rebuttal | 10a and 10b   |

It may be necessary to update testimony and/or exhibits which have been pre-filed because of discovery which is pending and an analysis of Version 2.2, Release 2 of the Hatfield Model submitted to the FCC September 10, 1996.

## C. EXHIBITS

| <u>Number</u>  | <u>Witness</u>        | <u>Description</u>   |
|--|-----------------------|--|
| MHK-1  | Dr. Marvin H. Kahn    | Hatfield Default Proxies by Density Zone including Statewide Average - Florida |
| This exhibit will be revised to reflect the filing September 10, 1996 of Version 2.2, Release 2 of the Hatfield Model. |                       |  |
| Exhibit A  | Mr. Richard Robertson | Chart of Bundled Network Services and Unbundled Basic Network Elements         |

## D. BASIC POSITION

ACSI and BellSouth have an Interconnection Agreement which resolves all outstanding issues except for the pricing of unbundled loops, cross connects and channelization. Even though BellSouth has agreed to provide the types of unbundled loops ACSI requested, the pricing has not been unbundled and BellSouth is structuring its prices in a manner which would require ACSI to pay for unnecessary features and functionalities thus impairing development of effective competition, e.g., special access prices for a two-wire copper loop. Furthermore, the prices which BellSouth

proposes are not based on TELRIC studies and are not consistent with the Telecommunications Act of 1996. This Commission should require BellSouth to offer unbundled network elements at TELRIC based rates as set forth in the FCC Local Interconnection Order of August 8, 1996 (FCC 96-235). If BellSouth cannot produce proper TELRIC studies, the Commission should use the Hatfield Model as a proxy to determine the appropriate prices. ACSI has developed deaveraged rates for unbundled elements (using both three and six density zones) using publicly available information and the publicly available costing model, i.e., the Hatfield Model. Those rates should be used in the absence of TELRIC based rates from BellSouth. As an alternative, absent TELRIC studies or use of the Hatfield Model, the Commission should rely upon the default proxy ceilings established by the FCC in the August 8, 1996 Local Interconnection Order (FCC 96-325) as a statewide average. The Hatfield model should be used as the basis for determining the relative prices in each density zone, such that the weighted average equals the FCC proxy.

#### **E. ISSUES AND POSITIONS**

**ISSUE 10a: Are the following items considered to be network elements, capabilities, or functions? If so, is it technically feasible for BellSouth to provide AT&T, MCI, or ACSI with these elements?**

**Network Interface Device (AT&T, MCI)**  
**Unbundled Loops (AT&T, MCI, ACSI)**  
**Loop Distribution (AT&T, MCI)**  
**Loop Concentrator/Multiplexer (AT&T)**  
**Loop Feeder (AT&T)**  
**Local Switching (AT&T, MCI)**  
**Operator Systems (DA service/911 service) (AT&T, MCI)**  
**Multiplexing/Digital Cross-Connect/Channelization (AT&T, MCI, ACSI)**  
**Dedicated Transport (AT&T, MCI)**  
**Common Transport (AT&T, MCI)**  
**Tandem Switching (AT&T, MCI)**  
**AIN Capabilities (AT&T, MCI)**

**Signaling Link Transport (AT&T, MCI)**  
**Signal Link Transport (AT&T, MCI)**  
**Service Control Points/Database (AT&T, MCI)**

**ACSI's Position:**

**Unbundled Loops: Multiplexing/Digital Cross-Connect/Channelization** - Yes. BellSouth and ACSI have agreed that unbundled loops, loop cross-connects and loop multiplexers should be made available but have not agreed as to the rates for the unbundled elements. However, BellSouth is proposing to offer unbundled network services rather than unbundled elements and should be required to make available unbundled elements.

**ISSUE 10b:** **What should be the price of each of the items considered to be network elements, capabilities, or functions?**

**ACSI's Position:** The price of the unbundled elements should be equal to TELRIC plus a reasonable allocation of efficiently incurred forward-looking joint and common costs. The rates which BellSouth proposes are not based on TELRIC studies and they are rates for services and not elements. ACSI has utilized publicly available data and the Hatfield Model (Version 2.2, Release 2) as a proxy and calculated the recurring costs for the unbundled loop as shown on Revised Exhibit MHK-1 filed by Dr. Kahn.

**ISSUE:** **What is a reasonable time frame after Commission action for parties to submit an agreement reflecting the decisions of the commission for approval?**

**ACSI's Position:** Since ACSI has only one issue in this docket, the parties should be able to negotiate a contract based upon the Commission's order within 20 days. If unsuccessful, or the parties earlier reach an impasse, each party should thereafter submit proposed contracts with the Commission choosing the proposed contract that best complies with its order.

**F. PENDING MOTIONS FILED BY AMERICAN COMMUNICATIONS SERVICES, INC. AND AMERICAN COMMUNICATIONS SERVICE OF JACKSONVILLE, INC.**

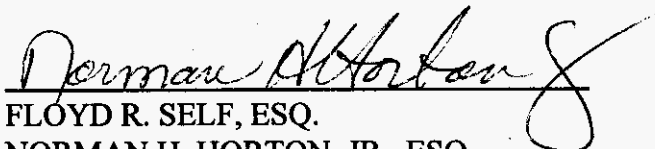
ACSI has filed a Motion to Shorten Time for BellSouth to Respond to ACSI's Second Request for Production, a Motion to Compel Answers to ACSI's First Set of Interrogatories and a Motion to Compel Answers to ACSI's First Request for Production of Documents.

**G. REQUIREMENTS THAT CANNOT BE COMPLIED WITH**

ACSI knows of no requirements that cannot be complied with.

Dated this 20th day of September, 1996.

Respectfully submitted,  
MESSER, CAPARELLO, MADSEN,  
GOLDMAN & METZ, P.A.  
Post Office Box 1876  
Tallahassee, FL 32302-1876  
(904) 222-0720

  
FLOYD R. SELF, ESQ.  
NORMAN H. HORTON, JR., ESQ.

Attorneys for American Communications Services, Inc.  
and American Communications Services of  
Jacksonville, Inc.

**CERTIFICATE OF SERVICE**

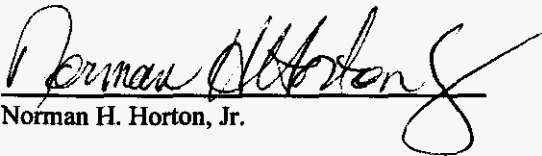
I hereby certify that a copy of the Prehearing Statement of American Communications Services, Inc. and American Communications Services of Jacksonville, Inc. in Docket No. 960916-TP has been sent by Hand Delivery (\*) on this 20th day of September, 1996 to the following parties of record:

Donna Canzano, Esq.\*  
Division of Legal Services  
Room 370, Gunter Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Phil Carver\*  
c/o Nancy H. Sims  
BellSouth Telecommunications, Inc.  
150 S. Monroe Street, Suite 400  
Tallahassee, FL 32301

Tracy Hatch, Esq.\*  
AT&T Communications of the Southern States  
101 N. Monroe Street, Suite 700  
Tallahassee, FL 32301

Richard Melson, Esq.\*  
Hopping, Green, Sams & Smith  
123 S. Calhoun St.  
Tallahassee, FL 32301

  
Norman H. Horton, Jr.