



ORIGINAL

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May 1, 1998

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

Re: Docket Nos. 870248-TL, 870790-TL, 900039-TL, 910022-TL,
910528-TL, 910529-TL, 911185-TL, and 921193-TL

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of GTE Florida Incorporated's Prehearing Statement for filing in the above matters. Also enclosed is a diskette with a copy of the Prehearing Statement in WordPerfect 6.1 format. Service has been made as indicated on the Certificate of Service. If there are any questions with regard to this matter, please contact the undersigned at 813-483-2617.

ACK _____

AFA _____ Very truly yours,

APP _____

CAF _____ *K. Caswell/tas*

CMU *Sheffer*
Kimberly Caswell

CTR _____

EAG _____ KC:tas

LEG 1 Enclosures

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SEC 1

W _____

OTH _____

A part of GTE Corporation

RECEIVED & FILED

[Signature]
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

04933 MAY-1 88

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

930173-TL

In re: Resolution by Holmes County)
Board of County Commissioners for)
Extended Area Service in Holmes)
County, etc.)

Docket Nos. 870248-TL et al.
Filed: May 1, 1998

GTE FLORIDA INCORPORATED'S PREHEARING STATEMENT

GTE Florida Incorporated (GTEFL) files its Prehearing Statement in accordance with Order number PSC-98-0405-PCO-TL in this docket and Commission Rule 25-22.038.

A. Witnesses

Charles M. Scobie will be GTEFL's witness on all matters in this docket.

B. Exhibits

GTEFL does not intend to use any exhibits at this time, but reserves the right to do so at the hearing or other appropriate points.

C. GTEFL's Basic Position

GTEFL has just two routes involved in this proceeding--Hudson to Brooksville and Haines City to Orlando. Brooksville and Orlando are BellSouth exchanges. As a general matter, GTEFL believes that market forces should determine the appropriate services and rate levels for existing interLATA routes. However, because the Commission has previously ruled that some form of toll relief is warranted on the Hudson to Brooksville route, GTEFL is not opposed to providing extended calling service (ECS) there. Likewise, GTEFL would provide ECS on the Haines City to Orlando route if the Commission determines such relief is appropriate in this limited case. Consistent with existing

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FPSC-RECORDS/REPORTING

interconnection agreements between GTE and BellSouth in other states, GTEFL would agree to pay BellSouth terminating switched access for traffic on these two routes. Per-minute ECS rates are probably the most appropriate approach for both business and residential customers on these routes.

D., E., F., G. GTEFL's Specific Positions

GTEFL believes each of the issues identified for resolution in this case are mixed questions of fact, law, and policy. GTEFL's positions on each issue follow.

Issue 1: Is one-way ECS appropriate on the routes in question?

GTEFL's Position: As a general matter, market forces can best determine the services and rates to be offered customers on particular routes, including those at issue. However, because the Commission has already determined that some form of Commission-mandated toll relief is warranted on the Hudson to Brooksville routes, GTEFL would not oppose providing ECS there. Likewise, GTEFL would agree to provide ECS on the Haines City to Orlando route if the Commission determines this kind of plan is appropriate in the limited case of this already-existing docket.

Issue 2: If one-way ECS is appropriate, what rate, if any, should BellSouth charge to terminate ECS interLATA traffic for all carriers?

GTEFL's Position: Consistent with previously executed interconnection agreements in other states where both GTE and BellSouth operate, GTEFL would agree to pay BellSouth terminating switched access for the traffic on the two routes at issue.

Issue 3: If one-way ECS is ordered on the routes in question and a termination charge is deemed appropriate, what economic impact will this have on the originating LEC?

GTEFL's Position: This question requires a comparison between the status quo-- where GTEFL receives originating access from an interexchange carrier (IXC)--and the ECS scenario where GTEFL receives usage revenues and/or message charges from end users. This comparison is very difficult because call duration data are unavailable to GTEFL for the proposed routes, which are today interLATA. In addition, the rates that end users will pay as a result of this docket are, as yet, unsettled. For instance, a move toward measured rates (rather than the typical flat-rate ECS charge) has been suggested for residential customers. Also, GTEFL has recommended that, if residential customers continue to pay flat-rate ECS charges, the per-message charge should be \$.30.

Nevertheless, for the sake of answering this question, GTEFL will assume a residential call duration of 5 minutes and a flat-rate ECS charge of \$.30. Compared to this thirty-cent charge, access revenues would be \$.256. On the business side, assuming a 2.5 minute call duration, GTEFL would receive just over \$.128 per message in access revenues compared to \$.19 per message under the usage-sensitive ECS rate structure.

Issue 4: If one-way ECS is appropriate, what rate structure and rate levels should the LECs charge?

GTEFL's Position: A usage-sensitive rate structure for both business and residential users (as recommended by Sprint and Alltel) is probably the best approach. This is because the per-minute costs on the ECS routes terminating in a BellSouth exchange are

about four times greater than routes terminating in other GTEFL exchanges. Usage-based charges would, in addition, be competitively neutral and alleviate concerns about inter-carrier arbitrage.

H. Stipulated Issues

GTEFL is unaware of any stipulations.

I. Pending Matters

There are no pending motions or other matters upon which GTEFL seeks a Commission ruling.

J. Procedural Requirements

To the best of its knowledge, GTEFL can comply with all requirements set forth in the procedural order in this case.

Respectfully submitted on May 1, 1998.

K. Caswell / tas

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of GTE Florida Incorporated's Prehearing Statement in Docket No. 870248-TL, et al. was sent via U.S. mail on May 1, 1998 to the parties on the attached list.

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