

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 960801-TP
interconnection agreement with) ORDER NO. PSC-96-1309-FOF-TP
Sprint Metropolitan Networks,) ISSUED: October 28, 1996
Inc., by Central Telephone)
Company of Florida and United)
Telephone Company of Florida.)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING INTERCONNECTION AGREEMENT
OF UNITED TELEPHONE COMPANY OF
FLORIDA AND INTERMEDIA
COMMUNICATIONS OF FLORIDA, INC.

BY THE COMMISSION:

BACKGROUND

On July 3, 1996, United Telephone Company of Florida and Central Telephone Company of Florida (hereinafter collectively referred to as United-Centel) filed a petition for approval of an interconnection agreement with Intermedia Communications of Florida, Inc. (SMNI). The agreement was executed on February 9, 1996, and United-Centel is seeking approval of the agreement under the Telecommunications Act of 1996. We find that this agreement will resolve the major issues between the parties and allow them to begin to compete in the local exchange market (See Attachment I).

Both the 1996 Act and the revised Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. Under the 1996 Act, "any party may, at any point in the negotiation, ask the State commission to participate in the negotiation and to mediate any differences arising in the course of the negotiation." If the parties reach a negotiated agreement, under Section 252(e) of the 1996 Act it is to be filed with us for approval. In addition, Section 252(a)(1) of the 1996 Act requires that "the agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement." Under Section 252(e)(4), we must approve or reject the agreement within 90 days after submission, or the agreement shall be deemed approved.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

We have reviewed the United-Centel and SMNI proposed agreement for compliance with both the Florida statutes and the 1996 Act. The agreement contains sections on local interconnection, unbundling and resale, universal service, and temporary number portability.

Local Interconnection

The delivery of local traffic between SMNI and United-Centel shall be reciprocal and compensation will be mutual. United-Centel makes available two forms of interconnection: a flat-rated port charge arrangement (hereinafter referred to as Option A) or a per minute of use charge (hereinafter referred to as Option B). The option chosen by SMNI will remain in effect for the duration of the agreement.

If Option A is elected, SMNI will purchase the capacity of a DS1 for terminating traffic to United-Centel. Similarly, United-Centel would purchase the capacity of a DS1 from SMNI. Depending on SMNI's network requirements and traffic patterns, SMNI could purchase the DS1 capacity at United-Centel's access tandem, local tandem or at an end office. The flat-rated port charge, Option A, is based on a fixed monthly charge for a DS1 interconnection at a tandem or an individual end office. Both the tandem and the end office port charges are developed based on the access charge rate elements. The tandem port rates include the additional switching and transport functions associated with a tandem.

If Option B is elected, the parties will compensate each other using United-Centel's terminating local switched access rates for terminating local traffic on each other's network. The parties will pay each other United-Centel's terminating switched access rate, exclusive of the residual interconnection charge (RIC) and carrier common line elements of the switched access rate, on a per minute of use basis. This rate is \$.01867 per minute. If it is mutually agreed that the administrative costs associated with Option B are greater than the net monies exchanged, the parties will exchange local traffic on an in kind basis, foregoing compensation in the form of cash or cash equivalent. However, neither party is required to compensate the other for more than one hundred five percent (105%) of the total minutes of use of the party with the lower minutes of use in the same month.

Unbundling and Resale

Several network elements are proposed to be unbundled and made available to SMNI under the agreement:

- (1) Access to 911/E911 Emergency Network
- (2) Directory Listings and Directory Distribution
- (3) IntraLATA 800 Traffic
- (4) Busy Line Verification/Emergency Interrupt Services
- (5) Directory Assistance
- (6) Network Design and Management
- (7) CLASS interoperability and Signaling
- (8) Local Loop

We are concerned that the 911/E911 alternate routing arrangement does not accurately reflect the way United-Centel provides emergency services. We believe that this section needs to be corrected in order for the agreement to be compliant with public interest considerations pursuant to 252(e)(2)(A)(ii). We have asked United-Centel to modify the 911/E911 section of the agreement to reflect the actual alternate routing safeguards that will be provided.

Some of the unbundling and resale sections of the agreement lacked the detail required by Section 252(a)(1) of the Act. United-Centel and SMNI have been contacted about the lack of detail. We believe that United-Centel and SMNI should submit supplements to the agreement to Records and Reporting prior to September 30, 1996, which will contain the necessary detailed information as indicated in Attachment II. If the parties do not provide the details by that date, then we shall reject this proposed agreement due to the lack of detailed information, as required by the Act.

Universal Service

With respect to universal service issues, we, by Order No. PSC-95-1592-FOF-TP issued December 27, 1995, established a generic policy to implement an interim mechanism that consists of two components. First, the LECs should continue to fund their universal service/carrier of last resort (US/COLR) requirements via markups on the rates of their services. Second, an expedited petition process for US/COLR funding on a case-by-case basis is adopted, wherein a LEC may demonstrate that competitive entry has eroded its ability to fund its US/COLR obligations and quantify the shortfall in support due to competitive entry. Decisions on the amount of funding required, how to recover such identified amounts,

and related matters will be based on the facts presented. If funding is deemed necessary, any mechanism adopted will be company-specific.

Under the proposed agreement the signatories agree that United-Centel will guarantee the provision of universal service as the carrier of last resort throughout its territory until January 1, 1998. Further, the proposed agreement is consistent with our policy, in that it allows United-Centel during the two-year period to petition us for relief if it believes that competition is undermining its ability to sustain its US/COLR responsibilities.

Temporary Number Portability

The proposed agreement differs from our decision on temporary number portability in Order No. PSC-95-1604-FOF-TP issued December 28, 1995, in Docket No. 950737-TP in two respects. First, the recurring monthly rates in the proposed agreement for ported numbers are higher than the rates adopted by us. The recurring charge in the agreement is \$1.25 per line per month for residential or business lines. We ordered \$1.00 per line per month for residential or business lines. We did allow parties to negotiate different rates as part of a larger package. Second, while we adopted a nonrecurring establishment charge of \$10.00 per order per customer account, the proposed agreement provides for a charge of \$25.00 per order. Although the nonrecurring charge is different and above the company's stated cost in Docket No. 950737-TP, we believe that the agreement's provisions on temporary number portability should be viewed in conjunction with all other conditions in the agreement.

Under Section 252(i) of the 1996 Act, the LEC must make any part of an agreement available to a non-party "upon the same terms and conditions as those provided in the agreement." We recommend that any party may choose to buy temporary number portability from United-Centel, for both recurring and nonrecurring charges, either out of the tariffs filed in response to our generic order on temporary number portability or under the rates, terms, and conditions of the United-Centel/SMNI agreement. An ALEC may not purchase the temporary number portability nonrecurring charge from the United-Centel/SMNI agreement and the recurring charges from United-Centel's tariff.

Conclusion

Table 1-1 compares the major elements of the United-Centel/SMNI agreement with our ordered interconnection arrangements and our approved negotiated interconnection agreements.

Table 1-1

| | United-Centel/SMNI | GTEFL/Intermedia Negotiated Agreement | BellSouth/FCTA Negotiated Agreement | BellSouth/MCimetro and MPS-FL Commission Ordered Arrangement |
|------------------------------|------------------------------------|---------------------------------------|---|--|
| Local Interconnection | \$.01867/Minute 105% Cap ** | \$.011136/Minute 105% Cap ** | \$.01052/Minute 105% Cap ** | Mutual Traffic Exchange |
| Unbundled Loops | \$19.05/month | \$23.00/month | \$21.15/month | \$17.00/month |
| Temporary Number Portability | | | | |
| Recurring - | \$1.25/line per month res. or bus. | \$1.25/line per month res. or bus. | \$1.25/line per month res. and \$1.50/line per month bus. | \$1.00/line per month res. or bus. |
| Additional Path - | \$.50/path | \$.50/path | \$.50/path | \$.50/path |
| Nonrecurring - | \$25.00/order | \$5.00/order | \$25.00/order | \$10.00/order per customer account |

** Mutual Traffic Exchange will be used if both parties agree administrative costs of billing and auditing are too high.

Upon consideration, we approve the proposed interconnection agreement between United-Centel and SMNI, resolving all major issues involving these parties as they relate to universal service, number portability, resale/unbundling, and local interconnection. If United-Centel and SMNI modify their agreement, we require that United-Centel and SMNI file supplements to their agreement for our review under the provisions of Section 252(e) of the federal Telecommunications Act of 1996.

Based on the foregoing, it is

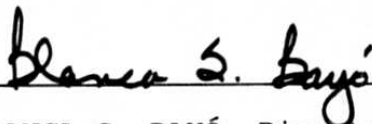
ORDERED by the Florida Public Service Commission that the proposed interconnection agreement between United-Centel and SMNI, resolving all major issues involving these parties as they relate to universal service, number portability, resale/unbundling, and local interconnection is approved. It is further

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ORDERED that if United-Centel and SMNI modify their agreement, United-Centel and SMNI must file supplements to their agreement for our review under the provisions of Section 252(e) of the federal Telecommunications Act of 1996. It is further

ORDERED that with the adoption of this agreement this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 28th day of October, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NSR/MCB

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.