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July 8, 1993

Mr. Steve C. Tribble
Director, Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Docket No. 921074-TP - Intermedia's Petition

Dear Mr. Tribble:

Enclosed please find an original and fifteen copies of Southern Bell Telephone and Telegraph Company's Prehearing Statement and Rebuttal Testimony, which we ask that you file in the captioned docket.

ACK A copy of this letter is enclosed. Please mark it to
AFA indicate that the original was filed and return the copy to me.
APP Copies have been served to the parties shown on the attached
Certificate of Service.

CAF

CMU

CTR

EAG

LEG Enclosures

LIN *orig. list 8/6*
cc: All Parties of Record

OPC A. M. Lombardo

RCH Harris R. Anthony

SE R. Douglas Lackey

W'S

Q'n

Sincerely yours,

J. Phillip Carver
J. Phillip Carver

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CERTIFICATE OF SERVICE
Docket No. 921074-TL

I HEREBY CERTIFY that a copy of the foregoing has been
furnished by United States Mail this *8th* day of *July* 1993,
to:

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(02)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: In the Matter of the) Docket No. 921074-TP
Petition of Intermedia Communica-)
tions of Florida, Inc. for)
Expanded Interconnection for AAVs)
within LEC Central Offices.)

) Filed: July 8, 1993

**SOUTHERN BELL TELEPHONE AND TELEGRAPH
COMPANY'S PREHEARING STATEMENT**

COMES NOW BellSouth Telecommunications, Inc. d/b/a/ Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), in compliance with Order No. PSC-93-0811-PCO-TP, issued on May 26, 1993, and herewith submits its Prehearing Statement.

A. WITNESSES

Southern Bell proposes to call the following witness to offer testimony on the issues indicated below:

<u>Witness</u>	<u>Issues Addressed</u>
David B. Denton	All Issues

David B. Denton will also offer rebuttal testimony to address certain aspects of the testimony of Sprint's witness, Fred I. Rock, Teleport's witness, Paul Kouroupas and Intermedia's witness, Jonathan E. Canis. Southern Bell reserves the right to call other rebuttal witnesses, witnesses to respond to Commission

inquiries not addressed through direct testimony and witnesses to address issues not presently designated, which may be designated at the prehearing conference to be held on August 11, 1993, or thereafter by the Prehearing Officer.

B. EXHIBITS

Southern Bell has no exhibits to the direct or rebuttal testimony of its witness, David B. Denton. Southern Bell reserves the right to file exhibits to any additional testimony that may be filed under the circumstances identified in Section "A" above. Southern Bell also reserves the right to introduce exhibits for cross examination, impeachment or any other purpose authorized by the applicable Florida Rules of Evidence and the Rules of this Commission.

C. STATEMENT OF BASIC POSITION

Expanded interconnection for special access and private line services may serve the public interest by providing increased competitive options for these services. The offering of expanded interconnection, however, could be detrimental to the public interest if it is not accompanied by pricing flexibility for the LECs on services that are subject to expanded interconnection. Intrastate special access and private line services have historically provided a contribution to residential local exchange service. Thus, without pricing flexibility, a situation could occur in which ratepayers would be harmed by the diminished contribution resulting from the LECs inability to be price

competitive as to these services. This situation would not be in the public interest.

This Commission is not bound to order expanded interconnection under the conditions and forms of the FCC Order on expanded interconnection for interstate services. Instead, this Commission has the authority to order expanded interconnection on an intrastate basis in any manner that it believes will serve the public interest. Substantial variances from the terms of the FCC order may result in administrative difficulties and additional expenses. In one respect, however, Southern Bell believes strongly that this Commission should deviate from the FCC order: this Commission should not mandate physical collocation by the LECs. Instead, the Commission should allow the LECs the option of providing either virtual or physical collocation.

LECs should not be required to file tariffs for floor space and utility costs. Otherwise, all rate elements for both virtual and physical collocation should be tariffed. For physical collocation, the rate structure should mirror that which was filed by Southern Bell with the FCC for interstate expanded interconnection.

D. SOUTHERN BELL'S POSITIONS ON THE ISSUES

Issue 1: Is expanded interconnection for special access and/or private line in the Public Interest?

Position: Expanded interconnection for special access and private line may serve the public interest by providing increased

competitive options for these services. Expanded interconnection may not be in the public interest, however, if the LECs are not granted pricing flexibility for services for which expanded interconnection will be available. Without pricing flexibility, ratepayers would be harmed by the diminished contribution resulting from the LECs inability to be price competitive as to these services.

Issue 2: How does the FCC's order on expanded interconnection impact the Commission's ability to impose forms and conditions of expanded interconnection that are different from those imposed by the FCC's order.

Position: This Commission has the authority to allow expanded interconnection on an intrastate basis in any manner that it determines will serve the public interest. To the extent that this Commission orders intrastate expanded interconnection on any basis that differs from the provisions of the FCC Order, however, there may be resulting administrative difficulties and additional expenses.

Issue 3: Under what circumstances should the Commission impose different forms and conditions of expanded interconnection?

Position: This Commission should not impose the terms and conditions of expanded interconnection upon the LECs. This Commission should allow the LECs the option of providing either virtual or physical collocation.

Issue 4: Does Chapter 364 Florida Statutes allow the Commission to require expanded interconnection?

Position: There is nothing in Chapter 364, Florida Statutes that would prohibit this Commission from ordering expanded interconnection. Expanded interconnection, however, cannot be used as a means to do something that would otherwise be prohibited by Chapter 364.

Issue 5: Does a physical collocation mandate raise federal and/or state constitutional questions about the taking or confiscation of LEC property?

Position: Southern Bell has appealed the FCC's Order because it believes that a mandate of physical collocation constitutes an unlawful taking of LEC property.

Issue 6: Should the Commission require physical and/or virtual collocation?

Position: This Commission should not require either form of collocation. Instead, each LEC should have the option of providing either physical or virtual interconnection arrangements.

Issue 7: What LECs, if any, should be required to provide expanded interconnection?

Position: Southern Bell is not opposed to this Commission's adopting the same approach as did the FCC, and requiring expanded interconnection only by Tier 1 LECs. If, however, this Commission were to allow the LECs the option of offering either physical or virtual collocation, this might make collocation

possible for smaller LECs that could not comply with a mandatory physical collocation requirement.

Issue 8: Where should expanded interconnection be offered?

Position: Expanded interconnection should be offered in all Southern Bell central offices in Florida where sufficient space is available.

Issue 9: Who should be allowed to interconnect?

Position: Any party should be allowed to interconnect on an intrastate basis their own basic transmission facilities associated with optical terminating equipment and multiplexers. These parties will include interexchange carriers, alternate access vendors, cable companies and end users.

Issue 10: Should the same terms and conditions of expanded interconnection apply to AT&T as apply to other interconnectors?

Position: Yes. The same terms and conditions for expanded interconnection should apply to all interconnectors.

Issue 11: Should the Commission require standards for physical and/or virtual collocation? If so, what should they be?

Position: Yes. Southern Bell proposes the following standards: central office space should be provided on a "first come, first served" basis. The demarcation point for LEC and interconnector responsibilities should be the interconnection point. For physical collocation, this should be a point in the central office designated by the LEC. For virtual collocation, the point of interconnection should be as close as reasonably possible to the central office. Expanded interconnection should

apply only to central office equipment needed to terminate basic transmission facilities associated with optical terminating equipment and multiplexers. Interconnection of non-fiber optic cable should not be allowed.

Issue 12: Should collocators be required to allow LECs and other parties to interconnect with their networks?

Position: Yes. Reciprocity should be part of any interconnection/collocation ordered by this Commission.

Issue 13: What standards should be established for the LECs to allocate space for collocators?

Position: Central office space for collocation should be allocated on a "first come, first served" basis. The space for both physical and virtual collocation should be allocated in a manner that is consistent with the standards set for interstate expanded interconnection service.

Issue 14: Should the Commission allow expanded interconnection for non-fiber optic technology?

Position: No. The interconnection of non-fiber optic cable would require too much space and it would be incompatible with technological developments.

Issue 15: If the Commission permits expanded interconnection, what pricing flexibility should the LECs be granted for special access and private line services?

Position: The LECs should retain the pricing flexibility they currently have for private line services. For intrastate special access services, Southern Bell should be permitted, at a

minimum, to implement zone pricing on the basis of wire center groupings.

Issue 16: If the Commission permits collocation, what rates, terms, and conditions should be tariffed by the LEC?

Position: The LEC should not be required to file a tariff that sets forth rates for floor space and utility costs. All other rate elements for virtual collocation should be tariffed. Likewise, for physical collocation, the rate structure should be the same as the one that Southern Bell has filed with the FCC for interstate collocation, except that, again, the tariff should not include floor space and utility costs.

Issue 17: Should all special access and private line providers be required to file tariffs?

Position: If tariffs are required for any providers of special access or private line services, then tariffs should be required of all providers of these services. Southern Bell, however, believes that the better alternative would be to remove these competitive services from the detailed regulatory requirements that apply today.

Issue 18: What separations impact will expanded interconnection have on the LECs?

Position: Southern Bell has not yet developed a forecast of demand for collocation and, therefore, does not know the potential jurisdictional separations impact of expanded interconnection.

Issue 19: How would ratepayers be financially affected by expanded interconnection?

Position: If the LECs are not able to compete for the provision of telecommunications services that currently provide a contribution to residential service, then this would have an adverse impact on residential ratepayers.

Issue 20: Should the Commission grant ICI's petition?

Position: Any action this Commission takes on the ICI petition should be consistent with its general rulings in this docket.

Issue 21: Should expanded interconnection be subject to a "net revenue test" requirement in order to avoid possible cross-subsidy concerns?

Position: No. Southern Bell routinely prices all new products and services above their long run incremental cost floor. Thus, even if avoiding a cross-subsidy for expanded interconnection were an appropriate concern, Southern Bell's normal pricing procedure is sufficient to avoid any cross-subsidy.

E. STIPULATIONS

Southern Bell is not aware of any stipulations between the parties in this docket.

F. PENDING MOTIONS FILED BY SOUTHERN BELL

There are no currently pending motions filed by Southern Bell.

G. OTHER REQUIREMENTS

Southern Bell knows of no requirements set forth in the prehearing order with which it cannot comply.

Respectfully submitted this 8th day of July, 1993.

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