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July 8, 1993

**BY HAND DELIVERY**

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

Re: **Petition of Intermedia Communications of  
Florida, Inc. for Expanded Interconnection  
for AAVs within LEC Central Offices**  
**Docket No. 921074-TP**

Dear Mr. Tribble:

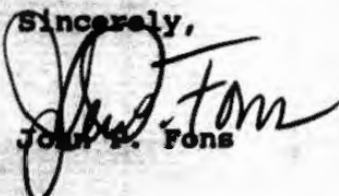
Enclosed for filing in the above-styled docket are the original and fifteen (15) copies of United Telephone Company of Florida's Prehearing Statement.

We are also submitting the Prehearing Statement on the enclosed 5" high density diskette generated on a DOS computer in Word Perfect 5.1 format.

ACK  enclosed 5" high density diskette generated on a DOS computer in  
AFA  Word Perfect 5.1 format.  
APP \_\_\_\_\_ Please acknowledge receipt and filing of the above by stamping  
CAF \_\_\_\_\_ the duplicate copy of this letter and returning the same to this  
writer.

**CMU** \_\_\_\_\_  
CTR \_\_\_\_\_ Thank you for your assistance in this matter.

EAG \_\_\_\_\_  
LEG 1 \_\_\_\_\_  
LIN 6 \_\_\_\_\_

Sincerely,  
  
John P. Fons

RECEIVED & FILED

JPF/csu  
Enclosures

FPSC BUREAU OF RECORDS

cc? All Parties of Record (w/encl.)

DOCUMENT NUMBER-DATE

07349 JUL-83

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Intermedia )  
Communications of Florida, Inc. for ) DOCKET NO. 921074-TP  
Expanded Interconnection for AAVs ) Filed: July 8, 1993  
within LEC Central Offices )  
\_\_\_\_\_ )

**UNITED TELEPHONE COMPANY OF  
FLORIDA'S PREHEARING STATEMENT**

Pursuant to Order No. PSC-93-0811-PCO-TP, United Telephone Company of Florida ("United Telephone" or the "Company"), through its undersigned counsel, files its Prehearing Statement.

A. **WITNESSES**: F. Ben Poag. Mr. Poag will address Issues 1 through 3, and 6 through 21.

B. **EXHIBITS**: Yes. FBP-1 which consists of four schedules.

C. **STATEMENT OF BASIC POSITION**: United Telephone Company of Florida supports expanded interconnection for special access and private line services, provided (1) all parties are given the same opportunities to compete on the basis of price, quality and technology, and (2) there is no mandatory requirement for any particular form of collocation. In addition, it is important to understand that expanded interconnection will not take place in a vacuum and the true economic benefits of competition will not be realized if pricing supports for basic residential services are not removed and all competitors are not allowed to price based on relevant economic costs.

**D-G. ISSUES AND POSITIONS:**

**ISSUE 1: Is expanded interconnection for special access and/or private line in the public interest?**

**POSITION:** Yes. In the long run, United Telephone agrees that the competitive provisioning of local private line and special access transport services (and, in the future, switched access services) will provide customer benefits of product innovation, higher quality service, network diversity, and lower prices. However, United Telephone's customers, especially residential customers and single-line business customers, will be disadvantaged if the Company is not granted the pricing flexibility needed to meet the competition fostered by expanded interconnection.

**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:** The FCC's order mandates certain forms and conditions of expanded interconnection for interstate special access services. The FCC's mandate also covers pricing issues for both interconnection and the LEC's provisioning of special access services. Although the FCC's order does not preempt or preclude the Florida Commission's ability to establish different forms and conditions of expanded interconnection, as a practical matter, little will be gained by having different interstate and intrastate approaches because special access facilities carry both interstate and intrastate traffic. The same terms and conditions should be applicable for intrastate purposes as approved for interstate.

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

**POSITION:** The Florida Commission should not require physical collocation. The FCC's imposition of mandatory physical collocation is currently on appeal on the basis of an unconstitutional taking of the LEC's property. See the Company's position on Issue 5. Until that appeal has been concluded, the imposition of mandatory physical collocation is still an open issue. In any event, rather than mandating any particular form of collocation, the Commission ought to adopt rules and regulations which permit and encourage the parties to negotiate physical or virtual collocation arrangements on a case-by-case basis with the same terms and conditions available to all interconnectors.

**ISSUE 4:** Does Chapter 364, Florida Statutes, allow the Commission to require expanded interconnection?

**POSITION:** Although the original enactment of Chapter 364, Florida Statutes, and any of its subsequent amendments, could not have contemplated expanded interconnection, it does appear that Chapter 364 allows the FPSC to require expanded interconnection. See Section 364.16, Florida Statutes. However, the Commission's authority is limited, in any event, to requiring expanded interconnection only for the provision of point-to-point or point-to-multipoint service dedicated to the exclusive use of an end user for the transmission of any public telecommunications service. See Section 364.335, Florida Statutes.

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

**POSITION:** Yes. In fact, several LECs, including BellSouth, GTE, Bell Atlantic, Pacific Telesis, Cincinnati Bell and Southwestern Bell, have appealed the FCC's decision on this issue to the U.S. Circuit Court of Appeals for the District of Columbia. The appeal is still pending. The basis for this appeal is that mandatory physical collocation constitutes a taking of the LEC's property requiring just compensation. Only courts, not regulatory agencies, have the authority to determine just compensation. This deficiency is equally applicable to Florida because the Florida Public Service Commission is a legislative agency, and it lacks the authority to require or effectuate such a taking which meets the required constitutional protection.

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

**POSITION:** The Florida Commission should not mandate any particular form of collocation. As set forth in the Company's position on Issue 3, the LECs and interconnectors should be able to negotiate physical or virtual collocation on a case-by-case basis, with the same terms and conditions available to all interconnectors.

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

**POSITION:** At this time, only Tier 1 LECs should be required to offer expanded interconnection. United Telephone concurs with the FCC in its Order FCC 92-440, paragraphs 56-58. In addition, any

potential interconnector should be subject to the same set of rules and requirements. See the Company's position on Issue 12.

**ISSUE 8:** Where should expanded interconnection be offered?

**POSITION:** To avoid unnecessary administration and cost, expanded interconnection should only be tarified for those central offices where it is likely to occur. If additional locations are requested, they can be added. For consistency, the intrastate serving wire centers should match those approved for interstate expanded interconnection.

**ISSUE 9:** Who should be allowed to interconnect?

**POSITION:** Any party requesting interconnection of transmission and multiplexing equipment should be allowed to interconnect. LECs are not required by the FCC, nor should they be required by the Florida Commission, to provide collocation for equipment that is not transmission or multiplex equipment.

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

**POSITION:** Yes. Any customer, including AT&T, that is already located in a United Telephone serving wire center should pay the applicable expanded interconnection rates. However, this should not be construed to mean that AT&T and any other already collocated customer should actually be required to route fiber optic facilities out of the building and back in through the same route used by other interconnectors. United Telephone concurs with the FCC in its Order FCC 92-440 in Docket Numbers 91-141 and 92-222,

paragraphs 66-68.

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

**POSITION:** Yes. The Florida Commission should require standards for collocation which are the same as those imposed by the FCC, except for mandatory physical collocation.

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

**POSITION:** Yes. The same rules and requirements should be applied to all potential interconnectors. It is essential that consumers have full accessibility to the telecommunications network, regardless of the provider. All interconnectors should be willing to offer access to their networks on terms and conditions that are similar for similar types of customers.

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

**POSITION:** The LECs should not be required to reserve or allocate space. In those central offices where interconnectors want space, it should be furnished, if available, on a first-come, first-served basis.

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

**POSITION:** Although the Commission should not require expanded interconnection for non-fiber optic facilities, United Telephone should be allowed the option to offer expanded interconnection to non-fiber technology if it so chooses.

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

**POSITION:** Because of the cross-elasticity between switched and special access services, pricing flexibility should not be limited to special access and private line services. In order to allow the Company to compete based on its economic costs, switched access reductions and pricing flexibility, in the form of geographically deaveraged intrastate local private line and switched and special access rates, are necessary when expanded interconnection is approved.

United Telephone's intrastate switched access rates are substantially higher than its interstate rates. Because of the cross-elasticity between switched and special access services, drastic price reductions and pricing flexibility are necessary if the Company is to be allowed to compete effectively and to avoid uneconomic resource allocations. Both access price reductions and deaveraged prices are necessary if the benefits of competition are to be realized fully.

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

**POSITION:** For consistency, ease of administration, and increased customer understanding, the tariffs for intrastate expanded interconnection should mirror those approved by the FCC for United Telephone.



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

**POSITION:** No.

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

**POSITION:** The central office investment used in the provision of local switching is allocated in the jurisdictional separations process using a usage sensitive factor (Dial Equipment Minutes). As the toll/access minutes are moved from the switched network to dedicated special access, the local allocation of these investments and related expenses will increase, putting upward pressure on local service rates.

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

**POSITION:** Special and switched access services and private line services provide a substantial contribution. Those end users that are able to take advantage of the price benefits of expanded interconnection alternatives will pay less, while those customers who do not qualify for expanded interconnection alternatives will have to pay more for their same service.

**ISSUE 20:** Should the Commission grant ICI's petition?

**POSITION:** Yes. ICI's petition should be granted on the condition that the Commission adopt United Telephone's recommendations embodied in its position on these issues and in the testimony of its witness F. Ben Poag.

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

**POSITION:** United Telephone does not believe a "net revenue test" is required to avoid cross-subsidy concerns.

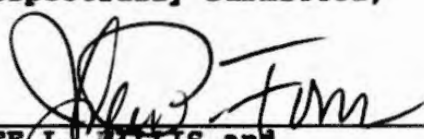
H. **STIPULATIONS:** United Telephone is not aware of any issues that have been stipulated.

I. **PENDING MOTIONS:** United Telephone is not aware of any pending motions.

J. **COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE:** United Telephone does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

DATED this 8th day of July, 1993.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail or hand delivery (\*) this 8th day of July, 1993, to the following:

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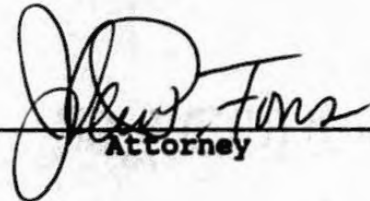
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