

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Intermedia)
Communications of Florida, Inc.)
for expanded interconnection for) Docket No. 921074-TP
AAVs within LEC central offices.)

AMENDED PREHEARING STATEMENT
OF TELEPORT COMMUNICATIONS GROUP INC.

Teleport Communications Group Inc. (TCG), in compliance with Order No. PSC-93-0811-PCO-TP and Rule 25-22.038(b), hereby submits this amended prehearing statement in order to address its position on the issues in this docket.

Witness

- (A) Paul Kouroupas will offer direct and rebuttal testimony on behalf of TCG to respond to the list of issues identified by the Commission and the parties in this docket.

Exhibits

- (B) TCG does not currently plan to offer exhibits into the record.

Statement of Basic Position

- (C) TCG's basic position in this proceeding is that the Commission should grant Intermedia's petition for an order permitting AAV provision of special access and switched access services through collocation arrangements in local exchange company central offices. Expanded interconnection is in the public interest and will bring significant benefits to consumers in Florida. TCG further asserts that Chapter 364 of the Florida Statutes authorizes the Commission to implement expanded interconnection and TCG wishes to offer testimony on the details of this implementation.

Position on the Issues

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

Position: Yes. Central office interconnection will provide significant benefits to consumers in Florida.

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: Florida can extend the benefits of the expanded interconnection order. First, Florida should require interconnection at a DS1, DS3 and DS0 level to extend the benefits of collocation to all special access customers. The FCC order required interconnection for DS1 and DS3 only, leaving additional interfaces (such as DS0) to be offered after a bona fide request.

The Commission should also institute "freedom of choice" policies so that LECs do not impede effective competition by instituting unreasonable terms and conditions in their collocation tariffs or by charging discriminatory central office reconfiguration rates or other practices. TCG further asserts that the LECs should not be permitted to impose termination liabilities on customers which have been locked into a long term contract but want to switch to a competitive access provider when expanded interconnection is first offered.

In addition, although the Commission has separated its consideration of interconnection for special and switched access services, it should consider one overlapping issue in this portion of Docket 921074-TP. Specifically, Florida should permit interconnectors to provide the local transport portion of switched carrier access. Although LECs offer local transport service within "switched access" service categories, the economic and technical nature of local transport circuit are more akin to private line services. Similar to private line services, local transport carrier access is provided between two discrete points, namely the interexchange carrier (IXC) point of presence (POP) and the telephone company central office. There is no "switching" or call routing involved in local transport.

TCG estimates that local transport service represents approximately 75% of all circuits between an IXC POP and a telephone company central office. IXCs need the quality, reliability and diversity of competitive alternatives for these critical facilities. Moreover, competition for the local transport portion of switched access services dramatically increases the prospects for effective competition in traditional private line services, which is the purpose of this proceeding. AAVs must be able to compete for local transport on the same terms and conditions as the LECs. We must particularly have the ability to combine special and switched access services on one facility, which is the arrangement the interexchange

carriers typically require.

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

Position: The Commission should adopt a standard of physical collocation except where the LEC and the interconnecting party voluntarily negotiate a virtual collocation agreement.

4. Does Chapter 364 of the Florida Statutes allow the Commission to require expanded interconnection?

Position: Yes.

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

Position: No. The key to the fairness of interconnection to all parties is that the interconnectors compensate the LECs for the use of LEC facilities. Therefore, a physical collocation mandate does not constitute a taking.

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

Position: Florida should require LECs to offer physical collocation. Physical collocation ensures that interconnectors are provided interconnection on the same terms and conditions as the LECs interconnect their own high capacity networks. A physical requirement would also allow for uniformity between state and federal requirements.

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

Position: All LECs, including non-Tier I LECs (those with less than \$100 million in annual revenues from regulated service), should be included in an intrastate interconnection policy in Florida so that all consumers may benefit the improved telecommunications infrastructure brought about by competition.

8. Where should expanded interconnection be offered?

Position: LECs should offer expanded interconnection in all central offices, state-wide, upon a bona fide request.

9. Who should be allowed to interconnect?

Position: LECs should offer interconnection to AAVs wanting to terminate special access transmission facilities at LEC

central offices.

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

Position: TCG does not have a position on this issue.

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

Position: The interconnection standard must provide AAVs with the same capability to connect its high capacity fiber optic network to the LEC's central office facilities and the LEC's ubiquitous low capacity loop network in a manner which is technically, operationally and economically comparable to the way that the LEC connects its own high capacity facilities to the LEC central office facilities and loop network.

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

Position: A requirement that collocators should provide interconnection to the LECs and other parties is unnecessary. As monopoly providers of essential bottleneck facilities, LECs need to be required to provide physical collocation to interconnectors. However, non-dominant, competitive carriers need no such requirement. As competition for private line services develops, a competitor would be foolish to reject a collocation request and the associated revenues. The potential interconnector will simply move on to the next provider.

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

Position: TCG agrees with the FCC's method of requiring LECs to provide space for physical collocation on a "first come, first served basis."

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

Position: TCG has no position on this 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 presence of AAV competitors does not mean a fully competitive market exists. The Commission should not

grant pricing flexibility to the LECs until full and effective competition has developed. If competitors cannot compete for the local transport portion of switched access services and consumer do not have effective freedom of choice between LECs and AAVs, pricing flexibility for LECs is inappropriate and will be disproportionate to the level of actual competition that will develop as a result of this proceeding.

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

Position: To promote uniformity and facilitate effective interconnections, LECs should tariff the following non-recurring rate elements: cage construction, power cabling and racking and the cable pull. Interconnectors should also have the option to complete these tasks themselves.

LECs should also tariff the following recurring rate elements: cable space, cross-connect, floor space and electric power.

In addition, it is critical that the Commission ensure that LECs indicate in their tariffs that they will abide by the following terms and conditions. Rearrangement charges must be non-discriminatory. Interconnectors must be given channel assignment control. Many customers of interconnectors insist that they be allowed to order and bill for end user circuits under a letter of agency authorization, therefore interconnectors must be permitted to use letters of agency. Escort and eviction terms must be limited to prevent LECs from using these mechanisms as a way to invalidate the usefulness of a central office interconnection arrangement. LECs should only force an interconnector to relocate within a central office under extreme circumstances and must give reasonable notice to the interconnector.

Reasonable installation time frames should be tariffed. Government compliance should be the responsibility of the LEC. Interconnectors should be allowed to purchase their own insurance. There should be no restrictions placed on interconnectors by LECs regarding the types of equipment that can be installed as long as it can be used to terminate basic transmission facilities. Finally, the Commission should ensure that the LECs' liability language for interconnections is reasonable.

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

Position: No. The Commission should continue to exempt AAVs from a tariff filing requirement as it did in Order No. 24877.

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

Position: TCG does not believe that expanded interconnection will have any material impact on separations.

19. How would ratepayers be financially affected by expanded interconnection?

Position: Ratepayers will benefit financially from expanded interconnection. To the extent that expanded interconnection leads to increased competition for access services, ratepayers will benefit from LEC efforts to increase efficiency and lower costs. The LEC should flow through these efficiencies and cost reduction to consumers.

20. Should the Commission grant ICI's petition?

Position: Yes.

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

Position: TCG does not believe that LECs would cross subsidize expanded interconnection offerings by pricing them below cost, and therefore does not see the need for a net revenue test. Rather, the risk is that the LECs will over-price expanded interconnection to frustrate competition, a problem that a net revenue test would not appear to address.

Stipulations

- (D) TCG is not aware of any issues stipulated to by the parties.

Pending Motions

- (E) There are no pending motions filed by TCG.

Other Requirements

- (F) TCG can comply with the Commission's requirements set forth in the Order Establishing Procedure.

Respectfully submitted,



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Dated: July 12, 1993