

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DATE: JANUARY 18, 1994

RE:

DOCKET NO. ~~921874-02~~ - Petition for expanded interconnection for alternate access vendors within local exchange company central offices by INTERMEDIA COMMUNICATIONS OF FLORIDA, INC.

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

Recommendation: Yes. Staff recommends that the Commission find expanded interconnection for special access and private line services to be in the public interest.

COMMISSIONERS ASSIGNED: CL LA JM

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

To the 2/1/94 Commission Conference
DEFERRED

DOCUMENT NUMBER-DATE
00585 JAN 19 94
FPSC-RECORDS/REPORTING

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?

Stipulation: The FCC's Order on Expanded Interconnection does not restrict the FPSC's ability to impose forms and conditions of expanded interconnection that are different from those imposed by the FCC's order. Expanded interconnection for intrastate special access/private line falls under the FPSC's jurisdiction and the Commission is not bound by any interstate policy. (This stipulation was approved at the September 13, 1993 hearing. Therefore, this issue is resolved.)

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

Stipulation: By agreement of the parties, Issue 3 is deleted from further consideration in this proceeding. (This stipulation was approved at the September 13, 1993 hearing. Therefore, this issue is resolved.)

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

Recommendation: Yes. The Commission has the authority, pursuant to Chapter 364, Florida Statutes, to mandate expanded interconnection for private line and special access services.

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

Recommendation: No. A physical collocation mandate does not violate the federal or state constitution.

Issue 6: Should the Commission require physical and/or virtual collocation?
Recommendation: Yes. The Commission should require the LECs to provide physical collocation to all interconnectors upon request, as envisioned by the FCC. The Commission should allow for interconnectors to choose virtual collocation if desired.

Issue 7: What LECs should provide expanded interconnection?
Recommendation: Only Tier 1 LECs (Southern Bell, GTEFL, United, and Centel) should be required to offer expanded interconnection as a tariffed generally available service. However, if a non-Tier 1 LEC receives a bona fide request for expanded interconnection and the terms and conditions cannot be negotiated by the parties, then the Commission should review each such request on a case-by-case basis. If the parties agree on expanded interconnection, then the terms and conditions would also be set by individual negotiation.

Issue 8: Where should expanded interconnection be offered?
Recommendation: Expanded interconnection should be offered out of all LEC offices that are used as rating points for special access or private line services. Initially, expanded interconnection should be offered out of those central offices that are tariffed in the interstate jurisdiction. Additional offices should be added within 90 days of a written request to the LEC by an interconnector.

Issue 9: Who should be allowed to interconnect?
Stipulation: Any entity should be allowed to interconnect, on an intrastate basis, its own basic transmission facilities associated with terminating equipment and multiplexers, except entities restricted pursuant to Commission rules and regulations. (This stipulation was approved at the September 13, 1993 hearing. Therefore, this issue is resolved.)

Issue 10: Should the same terms and conditions of expanded interconnection apply to ATT-C as apply to other interconnectors?

Stipulation: ATT-C should be allowed to interconnect intrastate Special Access Arrangements to the same extent as other parties, subject to the requirements adopted by the FCC in CC Docket 91-141 regarding preexisting collocated facilities. (This stipulation was approved at the September 13, 1993 hearing. Therefore, this issue is resolved.)

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

Recommendation: Yes. In addition to the standards discussed in Issues 8, 13, and 14, the Commission should adopt the following as standards:

- 1) LECs are to specify an interconnection point or points as close as reasonably possible to the central office. These interconnection points must be physically accessible to both the LEC and interconnectors on non-discriminatory terms. Under virtual collocation, the interconnection point would constitute the demarcation between the interconnector and LEC facilities. For physical collocation, this would constitute the entry point for interconnector cable in which the LEC would be compensated for the conduit and other facilities utilized by the interconnector.
- 2) LECs are required to provide at least two separate points of entry to a central office whenever there are at least two entry points for LEC cable.
- 3) Expanded interconnection requirements should apply only to central office equipment needed to terminate basic transmission facilities, including optical terminating equipment and multiplexers.

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

Recommendation: No. The Commission should not impose such a requirement. Instead, the Commission should encourage the collocators to allow LECs and other parties to interconnect with their networks.

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

Allocation of Space: Central office space should be allocated to interconnectors on a first-come, first-served basis and, when central office space is exhausted, the LEC should be required to offer virtual collocation.

Space Availability: If the LECs file for exemptions from physical collocation for central offices in Florida, then they must provide the same type of information to this Commission as was provided to the FCC in order for a decision to be made. The Commission should use the information provided and, if additional information is needed or if the Commission believes an independent verification is necessary, then it could be ordered. If the Commission grants an exemption for physical collocation, staff recommends that the LEC be required to offer virtual collocation.

Increments of Space Allotted to Collocators: LECs should distribute floor space to collocators in increments of 100 square feet but if mutually agreeable by both parties, then smaller or larger increments of floor space can be provided.

Warehousing of Central Office Space: LECs should be allowed to place restrictions on warehousing in their tariffs, such as a reasonable time period during which an interconnector has to begin to use its space. Staff believes that a time period for an interconnector to begin to use the space should be at least 60 days, but LECs would be free to establish longer time periods than 60 days. Further, the interconnector should have to forfeit its collocation application fee if it does not use the space within the allotted time period specified in the tariff.

Issue 13:

Expansion of a Collocator's Existing Space: LECs should provide a "checker board" type of arrangement for physical and virtual collocation, if sufficient space is available. A "checker board" type arrangement for physical collocation is one with every other square occupied by an interconnector's collocation cage. For virtual collocation, a space in the equipment rack would be left vacant between each collocator. If there is not sufficient space to implement such a policy in certain central offices, the LEC should request exemption for these central offices at the same time and in the same manner as it would request an exemption from offering physical collocation in central offices. As space becomes exhausted in the central office, the LEC may begin to place new interconnectors in the in-between spaces.

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

Recommendation: Yes. The Commission should allow expanded interconnection of non-fiber optic technology on a central office basis where facilities permit. Further, the actual location of microwave technology should not be mandated should but be negotiated between the parties.

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

Primary Recommendation: The LECs should be granted "zone-pricing" flexibility on a conceptual basis under the guidelines established by the FCC in Order No. 92-440, CC Docket No. 91-141. This arrangement allows for the establishment of three density pricing zones, requiring that rates be averaged within each zone but allowing that rates may differ between pricing zones. The LECs should be required to submit their Zone Density Pricing Plans and accompanying zone-pricing tariff proposals, with cost data to support rates that cover costs, within 60 days of the order. The LECs should use their FCC-approved or pending interstate zone density plans and tariffs as a guide, with variations and justifications where appropriate, when submitting their intrastate filings. The LECs should also file concurrent results of their efforts or plans to streamline the Contract Service Arrangements process. Once approved by the Commission, the LECs should not be delayed in implementing their zone-pricing tariffs, consistent with the specified effective dates.

Alternative Recommendation: No additional pricing flexibility should be granted. The LECs currently have pricing flexibility through Contract Service Arrangements (CSAs) and additional pricing flexibility is not warranted until the LECs can demonstrate that the CSAs are insufficient in the competitive market for special access and private line services. Additional pricing flexibility should also be denied until it can be addressed in conjunction with switched access interconnection, currently scheduled for hearing in August 1994 in Phase II of this docket.

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

Recommendation: Staff recommends that this Commission order all Tier 1 LECs, initially, to file expanded interconnection tariffs that, at a minimum, mirror what was on file at the interstate level with the FCC as of January 1, 1994. When the LECs file the tariffs, the Commission should review the tariffs by its normal tariff review process, allowing all affected parties to examine the tariffs and to challenge them. Generally, the LECs should file the following interconnection elements: (1) the cross-connect element; (2) charges for C.O. space; (3) labor and materials for initial preparation of space for physical collocation; (4) labor and materials for installation, repair, and maintenance of equipment dedicated to virtual collocators; (5) charges for power, environmental conditioning, riser and conduit space; and (6) language to reflect that LECs and interconnectors be allowed to negotiate connection charge sub-elements where different types of electronic equipment are dedicated to interconnectors under virtual conditions.

The tariffs, with supporting information and cost data for all elements, should be filed within 30 days from the date of the order. If the rates, terms, and conditions are different than what was filed in the LEC's interstate tariff, then the LEC should provide additional detailed explanations and cost support.

Staff also recommends that the LECs should file, with these tariffs, a list of central offices for which they would request an exemption from offering physical collocation, to be approved by the Commission by the standards for space availability and expansion established in Issue No. 13.

Further, staff recommends that the Commission require the LECs to tariff expanded interconnection at the DSO level and that the LECs tariff, under terms and conditions, a fresh look proposal consistent with the fresh look policy adopted by the FCC. Specifically, customers with LEC special access services with terms equal to or greater than three years, entered into on or before January 18, 1994 should be permitted to switch to competitive alternatives during the 90-day period after expanded interconnection arrangements are available in a given CO. If an end user chooses to switch to a competitor, termination charges to the LEC contract would be limited to the additional charges that the customer would have paid for a contract covering the term actually used, plus the prime rate of interest.

Finally, the Commission should deny Teleport's and Sprint's proposals to handle the local transport for switched access through expanded interconnection.

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

Recommendation: No. The Commission should exempt AAVs and AAV-like interconnector entities from tariff filings as it did with the AAVs in Order No. 24877.

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

Recommendation: Expanded interconnection will not have any material impact on separations. Migration will have an impact on separations, but is not measurable at this time.

Issue 19: Should expanded interconnection be subject to a "net revenue test" requirement in order to avoid possible cross-subsidy concerns?

Stipulation: Issue 19 is deleted from further consideration in this proceeding. (This stipulation was approved at the September 13, 1993 hearing. Therefore, this issue is resolved.)

Issue 20: How would ratepayers be financially affected by expanded interconnection?

Recommendation: Ratepayers who receive the benefit of competition in special access and private line services will enjoy improved services at reduced prices. The competition and increased pricing flexibility as enjoyed in interstate operations will put slight upward pressure on other services.

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Issue 21: Should the Commission grant Intermedia Communications of Florida, Inc.'s petition?

Recommendation: Yes. If the Commission finds expanded interconnection for special access and private line to be in the public interest, the Commission should grant Intermedia's petition under the terms and conditions set forth in the previous issues. However, if the Commission does not find expanded interconnection to be in the public interest, Intermedia should not be treated any differently than any other AAV and the Commission should deny the petition.