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July 15, 1994

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Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

Re: Docket No. ~~921074-TP~~

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Teleport Communications Group, Inc. are the original and fifteen copies of the supplemental direct testimony of Steven C. Andreassi.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

Kenneth A. Hoffman
Kenneth A. Hoffman

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing supplemental direct testimony of Steven C. Andreassi submitted on behalf of Teleport Communications Group, Inc. was furnished by U. S. Mail to the following, this 15th day of July, 1994:

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SUPPLEMENTAL DIRECT TESTIMONY
OF STEVEN C. ANDREASSI
ON BEHALF OF
TELEPORT COMMUNICATIONS GROUP, INC.
DOCKET NO. 921074-TP

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Steven Andreassi. My business address
3 is Teleport Communications Group, Inc. (TCG), Two
4 Teleport Drive, Suite 300, Staten Island, New York
5 10311.

6 Q. DID YOU FILE DIRECT TESTIMONY IN PHASE II OF THIS
7 DOCKET?

8 A. Yes.

9 Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT
10 TESTIMONY?

11 A. I will address certain policy issues raised by the
12 D.C. Circuit Court of Appeals' decision vacating
13 the Federal Communications Commission's ("FCC")
14 requirement that Tier I local exchange carriers
15 ("LECs") allow interconnectors to physically
16 collocate transmission equipment at the LECs'
17 central offices. The Court also remanded the issue
18 of virtual collocation back to the FCC for further
19 proceedings. As a general matter, TCG believes
20 that the Court decision actually simplifies this
21 docket to the extent that appeals at the federal
22 level are complete and final interstate tariffs for
23 special access and switched transport services will
24 be in place to be used as a guide at the intrastate
25 level.

1 Q. SHOULD FLORIDA MOVE FORWARD WITH EXPANDED
2 INTERCONNECTION FOR SWITCHED ACCESS SERVICES IN
3 LIGHT OF THIS COURT DECISION?

4 A. Yes. Expanded interconnection is in the public
5 interest. The Commission already confirmed this in
6 its order approving interconnection for special
7 access services. As I explained in my direct
8 testimony, virtual collocation provided by the LECs
9 in a manner which is technically, economically and
10 operationally equivalent to physical collocation is
11 workable.

12 Q. CAN YOU EXPLAIN THIS VIRTUAL COLLOCATION STANDARD?

13 A. Yes. TCG believes the Commission can take this
14 opportunity to adopt a clear and definite standard
15 for virtual collocation. Florida should adopt the
16 standard put in place in New York which requires
17 that interconnection provided through virtual
18 collocation must be technically and economically
19 comparable to physical collocation. New York also
20 requires that the terms of virtual collocation be
21 reasonable, thereby preventing the LEC from
22 imposing inefficient administrative processes and
23 requirements.

24 This standard ensures that the form of collocation
25 does not affect the critical competitive technical,

1 operational and financial characteristics of
2 the interconnector's services. Physical
3 collocation thus becomes not the means to
4 interconnection, but simply the standard against
5 which virtual collocation is to be measured to
6 determine if it is adequate to satisfy this
7 Commission's policy objective of expanding
8 competition. The Commission must not allow the
9 LECs to use the Court of Appeals' decision to delay
10 the benefits of competition by over-focusing on the
11 interconnection arrangement, itself. The
12 Commission already stated in the Phase I order that
13 interconnectors were free to choose virtual
14 collocation. Therefore, by now specifically
15 defining a collocation standard, the Commission
16 will have made the adjustment necessary to ensure
17 that its expanded interconnection policy remains
18 intact.

19 Q. WILL THE LECS HAVE AN INCENTIVE TO OFFER A VIABLE
20 VIRTUAL COLLOCATION ARRANGEMENT IN THE ABSENCE OF A
21 WELL-DEFINED STANDARD PUT INTO PLACE BY THIS
22 COMMISSION?

23 A. No. In Phase I, the Commission established
24 physical collocation as the mandatory means for
25 accomplishing interconnection. Virtual collocation

1 was only to be implemented if chosen by the
2 interconnector as the optimum arrangement. Under a
3 physical mandate, the LEC had a natural incentive
4 to make virtual collocation attractive or else the
5 interconnector would simply opt for a physical
6 arrangement. Physical collocation thus served as a
7 "check" on the adequacy of expanded interconnection
8 offered through virtual collocation. Since
9 physical collocation can no longer be relied upon,
10 the Commission should develop a standard which
11 meets the interconnector's needs.

12 Q. HOW DOES THE COURT DECISION IMPACT PHASE I OF THIS
13 PROCEEDING?

14 A. The Court decision does not materially impact this
15 Commission's special access expanded
16 interconnection policy which it determined to be in
17 the public interest in Phase I. The Commission
18 need only mandate in Phase II that LECs offer
19 expanded interconnection for special access and
20 switched transport services through virtual
21 collocation arrangements which are technically,
22 economically and operationally equivalent to
23 physical collocation.

24 Q. SHOULD THE COMMISSION MOVE FORWARD WITH LOCAL
25 TRANSPORT RESTRUCTURING ("LTR") ISSUES?

1 A. Yes. There has been no suggestion that the local
2 transport issues should be delayed, and
3 parties have already filed rebuttal testimony
4 addressing these issues. To the extent that
5 resolution of LTR issues should occur
6 simultaneously with implementation of switched
7 transport expanded interconnection, the
8 Commission should resolve these issues on
9 schedule.

10 Q. HOW DOES THE FCC'S REMAND ORDER ADOPTED ON JULY 14,
11 1994 IMPACT THIS PROCEEDING?

12 A. The FCC order confirms that this Commission should
13 move forward with an intrastate expanded
14 interconnection policy for switched transport and
15 should confirm its special access interconnection
16 policy. Stating that expanded interconnection
17 absolutely continues to be in the public interest,
18 the FCC implemented a mandatory requirement for
19 virtual collocation, with physical collocation as
20 an option.

21 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

22 A. Yes.