

ORIGINAL  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Expanded Interconnection )  
Phase II and Local Transport )  
Restructure )  
\_\_\_\_\_ )

DOCKET NO. ~~921074-TP~~  
DOCKET NO. 930955-TL  
DOCKET NO. 940014-TL  
DOCKET NO. 940020-TL  
DOCKET NO. 931196-TL  
DOCKET NO. 940190-TL

FILED: 07/27/94

**INTERMEDIA COMMUNICATIONS OF FLORIDA, INC.'S  
PREHEARING STATEMENT**

Intermedia Communications of Florida, Inc. ("Intermedia"), hereby files this prehearing statement for the hearing presently scheduled to begin on August 22, 1994.

A. Witnesses

Intermedia will present the direct testimony of the following witness.

ACK ✓  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CEM *Reith*  
CTR \_\_\_\_\_  
EAC \_\_\_\_\_  
LMS *Conson*  
LW *of*  
CPC \_\_\_\_\_  
PBI \_\_\_\_\_  
SIS *1*  
WIS \_\_\_\_\_  
GIA \_\_\_\_\_

Witness: Douglas S. Metcalf  
Issues: 3 - 6; 9 - 14; 18  
Exhibits: DSM-1: Two page State of Florida DMS T-3 Bid Information

B. Basic Position

Expanded interconnection for intrastate switched access is in the public interest. Consistent with expanded interconnection for special access and private line service previously approved by this Commission in Phase I of this docket, approval of expanded interconnection for switched access represents the next logical step in the effort to create the benefits that competition offers: more rapid deployment of new technology, system redundancy and increased protection against service outages, increased service innovation and greater customer choice, and price competition that

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will reduce the cost of telecommunications services to all customers.

With respect to the aspect of this proceeding to address the pricing and rate structure of local transport services, Intermedia has only two basic points. First, dedicated transport of intrastate traffic from the central office to the IXC's POP meets the statutory definition of private line and is allowable without further action of the Commission. Second, this local transport which is now provided exclusively by the LEC, amounts only to a small part of the LEC's claimed monopoly. Thus, provision of local transport by competitors such as Intermedia will have no significant effect on the revenues of the LEC.

#### ISSUES

**ISSUE 1:**           **How is switched access provisioned and priced today?**

**Position:** The local exchange companies (LECs) provide switched access services to interexchange carriers (IXCs) through feature groups. The LECs are required to file tariffs and the rate elements which apply to each feature group service include end office switching, local transport, information surcharge, and the carrier common line charge. These rate elements are priced today under the equal charge rule.

**ISSUE 2:**           **How is local transport structured and priced today?**

**Position:** The local transport of switched access traffic currently has a usage sensitive rate structure. All transport minutes of use are assessed the same rate. The rate applied is based on the equal charge rule.

**ISSUE 3:**

**Under what circumstances should the Commission impose the same or different forms and conditions of expanded interconnection than the FCC?**

**Position:** Florida is free to establish its own collocation policy for intrastate services. However, it would not be efficient for LECs or interconnectors if the Commission were to establish conditions that differ greatly from those imposed by the FCC on most aspects of collocation. Therefore, with the exception of pricing flexibility, Intermedia recommends that the Commission adopt the same forms and conditions as those dictated by the FCC.

**ISSUE 4:**

**Is expanded interconnection for switched access in the public interest?**

**Position:** Yes. Benefits from expanded interconnection will include more rapid deployment of new technology, system redundancy and increased protection from disastrous service outages, increased service innovation and greater customer choice, as well as price competition which will reduce the cost of telecommunications services to all customers. These benefits are critical to communications dependent businesses, and will promote the general public interest.

**ISSUE 5:**

**Is the offering of dedicated and switched services between non-affiliated entities by non-LECs in the public interest?**

**Position:** Yes. The non-affiliated entities prohibition serves no public interest, and actually prevents customers from receiving services from their provider of choice. The public interest demands that all customers be able to receive dedicated and switched services from their provider of choice.

**ISSUE 6:**

**Does Chapter 364, Florida Statutes, allow the Commission to require expanded interconnection for switched access?**

**Position:** This is a legal issue and will be discussed in Intermedia's post-hearing brief.

**ISSUE 7:**

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

**Position:** No. Mandated occupation of used and useful LEC property for the very purpose for which it has been declared used and useful--i.e. provision of telecommunication service--is not a taking under a regulatory scheme that creates a monopoly for the LEC and provides both due process and fair compensation for the occupation.

**ISSUE 8:**

**Should the Commission require physical and/or virtual collocation for switched access expanded interconnection?**

**Position:** In Phase I of this proceeding, the Commission required the LECs to provide physical collocation. The federal court recently overturned the FCC's mandate for physical collocation on an interstate basis. On remand, the FCC ordered virtual collocation, while continuing to allow physical collocation by agreement. If in response this Commission now determines upon reconsideration that physical collocation is no longer the appropriate standard, then it should prescribe standards for virtual collocation governing at least the following: (a) cost support for the LECs' rate elements and the tariff generally; (b) provisioning and maintenance intervals of collocator equipment; (c) ownership of collocator equipment; (d) right of the collocator to supply its own equipment; and, (e) training costs of LEC personnel.

**ISSUE 9:**

**Which LECs should provide switched access expanded interconnection?**

**Position:** Only Tier I LECs should be required to offer collocation as a tariffed, generally available service. However, other LECs may control central offices that are critically important to competitors. Therefore, the Commission should review requests for collocation in non-Tier I LEC central offices on a case-by-case basis where that LEC has the technical ability to accommodate collocation.

**ISSUE 10:** From what LEC facilities should expanded interconnection for switched access be offered? Should expanded interconnection for switched access be required from all such facilities?

**Position:** For consistency, any LEC office designated for interstate expanded interconnection should be designated for intrastate expanded interconnection. This would include central offices, serving wire centers, and tandem switches.

**ISSUE 11:** Which entities should be allowed expanded interconnection for switched access?

**Position:** Any LEC providing expanded interconnection for switched access services should offer these services on a non-discriminatory basis to all third parties, including CAPs, IXCs and end users, that make a bona fide request.

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

**Position:** Yes. As in Phase I, Intermedia is willing to provide reciprocal interconnection arrangements for LECs or other parties, under similar terms and conditions as those established by the LECs.

**ISSUE 13:** Should the Commission allow switched access expanded interconnection for non-fiber optic technology?

**Position:** The Commission should allow, but not mandate, expanded interconnection for switched access for non-fiber technology.

**ISSUE 14:** Should all switched access transport providers be required to file tariffs?

**Position:** No.

**ISSUE 15:**

**Should the proposed LEC flexible pricing plans for private line and special access services be approved?**

**Position:** No. The introduction of these flexible pricing plans is premature and anticompetitive. Technically, dedicated transport services provided by AAVs and LECs are currently effectively competitive; due to regulatory constraints, however, these services are not sufficiently competitive to justify additional pricing flexibility for the LECs. Meanwhile, the LECs bundle within the dedicated transport services (a) switched and other common services priced under the tariff with (b) private line and special access services priced flexibly under CSAs and ICBs at purely incremental costs. Through this bundling strategy, the LECs have purposefully contaminated a competitive market with monopoly services, while vigorously maintaining that the monopoly markets must remain inviolate. Allowing the LECs additional flexibility to pursue this anticompetitive scheme is not in the public interest. Rather, the Commission should aggressively explore ways under the current statutory scheme to allow AAVs and LECs both telecommunication products over their respective high capacity transport facilities. When both the AAV and the LEC can bundle, then both the LEC and AAV should have pricing flexibility.

**ISSUE 16:**

**Should the LECs proposed intrastate private line and special access expanded interconnection tariffs be approved?**

**Position:** No position at this time pending clarification of the status of the proposed intrastate private line and special access expanded interconnection tariffs in light of the prospective refiling of the corresponding interstate tariffs.

**ISSUE 17:**

**Should the LECs proposed intrastate switched access interconnection tariffs be approved?**

**Position:** These tariffs should be approved to the extent that they mirror the LECs' interstate tariffs.

**ISSUE 18:** Should the LECs be granted additional pricing flexibility? If so, what should it be?

**Position:** No. Please see position on Issue 15.

**ISSUE 19:** Should the Commission modify its pricing and rate structure regarding switched transport service?

(a) With the implementation of switched expanded interconnection?

**Position:** Yes.

(b) Without the implementation of switched expanded interconnection?

**Position:** Yes.

**ISSUE 20:** If the Commission changes its policy on the pricing and rate structure of switched transport service, which of the following should the new policy be based on:

**Position:** (c) The intrastate pricing and rate structure of local transport should reflect the underlying cost based structure.

**ISSUE 21:** Should the LECs proposed local transport restructure tariffs be approved? If not, what changes should be made to the tariffs?

**Position:** No. The intrastate pricing and rate structure of local transport should reflect the underlying cost based structure.

**ISSUE 22:** Should the Modified Access Based Compensation (MABC) agreement be modified to incorporate a revised transport structure (if local transport restructure is adopted) for intraLATA toll traffic between LECs?

**Position:** No position at this time.

**ISSUE 23:**

How should the Commission's imputation guidelines be modified to reflect a revised transport structure (if local transport restructure is adopted)?

Position: No position at this time.

**ISSUE 23(a):**

Should the Commission modify the Phase I order in light of the decision by the United States Court of Appeals for the District of Columbia Circuit?

Position: Yes. Although Intermedia remains convinced that this Commission may require physical collocation, Intermedia has in this docket emphasized the need for congruency between the policies of the FCC and this Commission. Thus, as a matter of policy, the Commission should revise its previous order and order virtual collocation rather than physical. Please Intermedia's position on Issue 8 for standards the Commission should address in ordering virtual collocation. In revisiting its Phase I order, however, the Commission must limit its modifications to only those changes necessary to establish congruency between its policy and the changed policy of the FCC.

**ISSUE 24:**

Should these dockets be closed?

Position: No. These dockets should not be closed until all related issues have been resolved in the federal proceeding.

Respectfully submitted this 27th day of July, 1994.



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**CERTIFICATE OF SERVICE**

Docket No. 921074-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by United States Mail this 27th day of July, 1994, to the following:

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