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ORIGINAL  
FILE COPY

February 6, 1995

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32301

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

Dear Mrs. Bayo:

Enclosed please find an original and fifteen copies of BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's Response to IAC's Motion for Partial Reconsideration to be filed in the above mentioned docket.

A copy of this letter is enclosed. Please indicate on the copy that the original was filed and return the copy to me. Copies of Southern Bell's Request have been served on the parties shown on the attached Certificate of Service.

- ACK
- AFA
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- SEC
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Sincerely,

*Mary Jo Peed (MS)*  
Mary Jo Peed

cc: Robert G. Beatty  
A. M. Lombardo  
R. Douglas Lackey  
All Parties noted on Certificate of Service

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*was*  
FPSC-BUREAU

DOCUMENT NUMBER-DATE  
**01351 FEB-6 95**  
FPSC-RECORDS/REPORTING

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: February 6, 1995

BELLSOUTH TELECOMMUNICATIONS INC.'S RESPONSE  
TO THE INTEREXCHANGE ACCESS COALITION'S MOTION  
FOR PARTIAL RECONSIDERATION

COMES NOW, BellSouth Telecommunications Inc. d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell") and files its response to the Interexchange Access Coalition's ("IAC") Motion ("Motion") for Partial Reconsideration of the Commission's Order No. PSC-95-0034-FOF-TP ("Final Order") dated January 9, 1995. Southern Bell respectfully requests that the Commission deny IAC's Motion and in support of its request shows the following:

1. IAC spends a great deal of time in its Motion citing various parts of the Final Order as a basis for its assertion that the Commission endorsed IAC's position that rates for switched access local transport service must be based solely on the cost differences between the various service options. In fact, the Commission rejected IAC's position:

Although we do not agree with IAC that contribution levels must be identical across services to prevent discrimination, they must be reasonably close. LECs should have a certain amount of flexibility to respond to competitive realities, but LEC prices should not distort economic demand for the various service options.

Final Order at 54, (emphasis added). In its Motion, even IAC acknowledged there is competition for switched access local

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transport services, albeit "limit[ed to] transport competition to the largest IXCs..." IAC's Motion at 2.<sup>1</sup>

2. IAC asserts that the Commission should reconsider the language in its Final Order regarding an expectation of cross-over points falling in the range between 14 and 21. In its Motion, IAC raises the Commission's statement regarding the cross-over point range to the level of a presumption. This is beyond what the Commission intended. The Final Order clearly states that the cross-over points falling in the range between 14 and 21 are an expectation. If the Commission intended to create a presumption, it would have done what the FCC did in its treatment of the appropriate cross-over points, that is if the local exchange company's cross-over ratio was greater than or equal to 9.6, the rates were deemed appropriate. The Final Order requires the local exchange company when it refiles its switched access transport service tariff, no matter what the cross-over points proposed, to provide:

estimates of their costs for their entrance facilities, tandem switched, and direct trunked transport rate elements to serve as benchmarks...; ...an analysis justifying the contribution levels which they incorporate into their proposed rates...; ...a cross-over point analysis...cover[ing] different mileage distances, and cross-over points ...for entrance facilities separately from interoffice channels...; and ...demand estimates for the RIC based on currently configured networks.

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<sup>1</sup> Southern Bell asserts that the Record in this proceeding clearly demonstrates that competition exists today for the provision of transport services to both end users and interexchange carriers.

Final Order at 60. Had the Commission intended the language cited by IAC in its Motion to be a presumption, it would not have required the local exchange companies to provide the aforementioned support to their refiled tariffs. Therefore, IAC's Motion is unfounded.

3. Even if the Commission had intended the cross-over range of 14-21 to be a presumption which had to be rebutted, there is sufficient evidence in the Record to support such a presumption. Based upon the conclusion reached by the Commission that the local exchange companies need to have flexibility to respond to competitive realities, the evidence in the Record which relates to the cross-over points of transport competitors can be utilized by the Commission to predict the expected cross-over range. This evidence, in and of itself, would support a presumption regarding the appropriate cross-over range.

4. Lastly, IAC asserts that Sprint's witness presented the only credible evidence regarding the appropriate "fill factor." This assertion is contrary to the evidence. The Commission stated in the Final Order that it expected the cross-over points to vary by local exchange companies because of the ways the different networks are engineered and the costs to serve the network. Therefore the Commission did not accept the Sprint witness 79 percent figure as the current utilization of the local exchange companies transport networks. Indeed, Southern Bell's Late Filed Exhibit 30 as well as cost data submitted by Southern Bell in the context of discovery, contain utilization factors supported by the

Company. These factors, while contained in the Record, have not been rebutted by any adverse party, including IAC.

4. The Commission's Final Order presents a well-balanced policy determination on the issues concerning the restructure of switched access local transport services. The Commission's expectation as to the cross-over range was not intended to rise to the level of a presumption and therefore there is no need for reconsideration on this point. IAC's petition should be denied.

Respectfully submitted this 6th day of February, 1995

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**CERTIFICATE OF SERVICE**  
**Dockets No. 921074-TL, 930955-TL,**  
**940014-TL, 940020-TL, 931196-TL, 940190-TL**

I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 6TH day of FEBRUARY 1995, to:

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