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September 29, 1995

ORIGINAL
FILE COPY

Mrs. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 950985-TP

Dear Mrs. Bayo:

Enclosed for filing in the above referenced docket
are an original and fifteen (15) copies of AT&T's
Prehearing Statement.

Copies of the foregoing are being served on all parties
of record in accordance with the attached Certificate of
Service.

Yours truly,

Michael W. Tye
Michael W. Tye

Attachments

cc: J. P. Spooner, Jr.
Parties of Record

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU Chase
- CTR _____
- EAG _____
- LEG 1
- LIN 5
- ORC _____
- RCR _____
- SEC 1
- WAS _____
- OTH _____

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DOCUMENT NUMBER-DATE
09671 SEP 29 95
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution of Petition)
to Establish Nondiscriminatory) DOCKET NO. 950985-TP
Rates, Terms, and Conditions)
for Interconnection Involving) FILED: Sept. 29, 1995
Local Exchange Companies and)
Alternative Local Exchange)
Companies Pursuant to)
Section 364.162, Florida Statutes.)
)

AT&T'S PREHEARING STATEMENT

AT&T Communications of the Southern States, Inc.
(hereinafter "AT&T"), pursuant to Rule 25-22.038, Florida
Administrative Code, and order of the Florida Public Service
Commission (hereinafter the "Commission") hereby submits its
Prehearing Statement in the above-referenced docket.

A. Witness

AT&T intends to sponsor the testimony of the following
witness:

1. Mike Guedel: Mr. Guedel's direct testimony
primarily responds to Issues 1 and 2. His testimony
describes, in a generic sense, the characteristics of
interconnection and collocation arrangements that are
necessary to provide inter-carrier connections that are
both technically efficient and economically sensible,
and thus effectively competitive. His testimony
further addresses the issue of mutual compensation
associated with call completion as described in the

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FPSC-RECORDS/REPORTING

petition of Teleport Communications Group (hereinafter "TCG") and recommends a compensation arrangement that is consistent with the generic principles discussed in his testimony.

AT&T has not filed specific testimony with respect to Issues 3 through 11 which were identified at the Issue Identification Conference on September 22, 1995. However, pursuant to the agreement of the parties at that conference, AT&T reserves the right to offer rebuttal to the testimony of other parties with respect to such issues at the time of Mr. Guedel's deposition, which is presently scheduled for October 6, 1995. AT&T further reserves the right to call any additional witnesses and present any additional evidence that might be necessary to respond to matters which are raised for the first time at the hearings in this docket.

B. Exhibits.

AT&T has not prefiled any exhibits in this case. However, AT&T reserves the right to present any exhibits that may be necessary to cross-examine opposing witnesses or to respond to matters which are raised for the first time at the hearings in this proceeding.

C. Basic Position.

AT&T understands the issues in this case are the subject of continuing negotiations between TCG and BellSouth. To the extent that such issues can be resolved

through negotiations, such negotiated arrangement should be filed with the Commission pursuant to Section 364.162(2), Florida Statutes, and this docket should be closed. To the extent that the parties are unable to resolve all of the pending issues, AT&T believes that they should resolve as many issues as possible [to be filed with the Commission pursuant to Section 364.162(2)] and that this docket should be used to resolve only the remaining issues.

It is AT&T's understanding that the issues that are most likely to need Commission resolution are those involving the appropriate interconnection rate structure, interconnection rates, or other arrangements for the exchange of traffic between TCG and BellSouth. AT&T submits that, initially, the best solution to this question may be a "bill and keep" arrangement whereby the compensation that one company offers to another for the completion of its calls is an agreement to complete the other company's calls in a like manner. Such an arrangement is simple to administer and can be implemented without the development of cost studies that would be required to establish and justify specific prices.

In the long run, if effective competition for local service does develop and some of the complications of measuring, billing, and costing are sorted out, it may be possible to develop a mechanism that includes actual billing at prices based on Total Service Long Run Incremental Cost (hereinafter "TSLRIC"). That is, the rates charged for call

termination service associated with interconnection arrangements should be set at the TSLRIC that each company incurs in providing the service. If such a mechanism is established, participating companies should be permitted to recover the TSLRIC that they incur in providing call termination arrangements, but no company should be permitted to exact any additional mark-up from potential competitors simply for the right to do business in its territory.

D. Fact Issues.

See Attachment 1 (AT&T's Positions on Issues).

E. Legal Issues.

See Attachment 1 (AT&T's Positions on Issues).

F. Policy Issues.

See Attachment 1 (AT&T's Positions on Issues).

G. Position on Issues.

See Attachment 1 (AT&T's Positions on Issues).

H. Stipulated Issues.

AT&T is not aware of any issues that have been stipulated to by the parties.

I. Pending Motions.

AT&T is not aware of any pending motions.

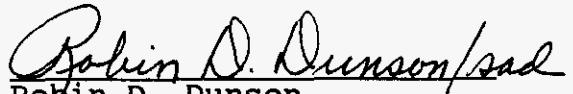
J. Other Requirements.

AT&T is not aware of any requirements set forth in the Order on Prehearing Procedure with which it is unable to comply.

Respectfully submitted this 29th day of September,
1995.



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ATTORNEYS FOR AT&T
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SOUTHERN STATES, INC.

**AT&T'S PREHEARING STATEMENT
DOCKET NO. 950985-TP
ATTACHMENT 1**

AT&T'S POSITIONS ON ISSUES

ISSUE 1: What are the appropriate interconnection rate structure, interconnection rate, or other arrangements for the exchange of local and toll traffic between Teleport and Southern Bell?

AT&T'S POSITION: Initially, the best solution for the exchange of local traffic may be the "bill and keep" arrangement. Under this arrangement no dollars change hands. The compensation that one company offers to another for the completion of its calls is the agreement to complete the other companies' calls in a like manner.

However, if effective competition for local service does develop, and some of the complications of measuring and billing and costing are sorted out, then a better long term solution would include actual billing at prices set equal to the Total Service Long Run Incremental Cost (TSLRIC) incurred in providing call termination. This method would more likely ensure that each company is accurately compensated for the particular services that it provides.

The arrangements for the exchange of toll traffic could be accomplished in the same way. However, the LEC must make available to all toll service providers the same rates, terms and conditions that it offers any ALEC for the exchange or completion of toll traffic.

AT&T'S WITNESS: Mike Guedel

ISSUE 2: Should Southern Bell tariff the interconnection rate(s)?

AT&T'S POSITION: Yes.

AT&T'S WITNESS: Mike Guedel

ISSUE 3: What are the appropriate technical and financial arrangements which should govern interconnection between TCG and BellSouth

for the delivery of calls originated and/or terminated from other carriers not directly connected to TCG's network?

AT&T'S POSITION: Pending the receipt of rebuttal testimony and completion of discovery in this docket, AT&T takes no position on this issue at this time.

AT&T'S WITNESS: Mike Guedel

ISSUE 4: What are the appropriate technical and financial requirements for the exchange of intraLATA 800 traffic which originates from a TCG customer and terminates to an 800 number served by BellSouth?

AT&T'S POSITION: Pending the receipt of rebuttal testimony and completion of discovery in this docket, AT&T takes no position on this issue at this time.

AT&T'S WITNESS: Mike Guedel

ISSUE 5(a): What are the appropriate technical arrangements for the interconnection of TCG's network to BellSouth's 911 provisioning network such that TCG's customers are ensured the same level of 911 service as they would receive as a customer of BellSouth?

ISSUE 5(b): What procedures should be in place for the timely exchange and updating of TCG customer information for inclusion in appropriate E911 databases?

AT&T'S POSITION: Pending the receipt of rebuttal testimony and completion of discovery in this docket, AT&T takes no position on this issue at this time.

AT&T'S WITNESS: Mike Guedel

ISSUE 6: What are the appropriate technical requirements for operator traffic flowing between TCG's operator services provider and BellSouth's operator services provider including busy line verification and emergency interrupt services?

AT&T'S POSITION: Pending the receipt of rebuttal testimony and completion of discovery in this docket, AT&T takes no position on this issue at this time.

AT&T'S WITNESS: Mike Guedel

ISSUE 7: Under what terms and conditions should BellSouth be required to list TCG's customers in its directory assistance database?

AT&T'S POSITION: Pending the receipt of rebuttal testimony and completion of discovery in this docket, AT&T takes no position on this issue at this time.

AT&T'S WITNESS: Mike Guedel

ISSUE 8: Under what terms and conditions should BellSouth be required to list TCG's customers in its universal white and yellow pages directories and to publish and distribute these directories to TCG's customers?

AT&T'S POSITION: Pending the receipt of rebuttal testimony and completion of discovery in this docket, AT&T takes no position on this issue at this time.

AT&T'S WITNESS: Mike Guedel

ISSUE 9: What arrangements are necessary to ensure that TCG can bill and clear credit card, collect, third party calls and audiotext calls?

AT&T'S POSITION: Pending the receipt of rebuttal testimony and completion of discovery in this docket, AT&T takes no position on this issue at this time.

AT&T'S WITNESS: Mike Guedel

ISSUE 10: What arrangements are necessary to ensure the provision of CLASS/LASS services between TCG's and BellSouth's interconnected networks?

AT&T'S POSITION: Pending the receipt of rebuttal testimony and completion of discovery in this docket, AT&T takes no position on this issue at this time.

AT&T'S WITNESS: Mike Guedel

CERTIFICATE OF SERVICE

DOCKET NO. 950985-TP

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by next day express mail, U. S. Mail or hand-delivery to the following parties of record this 29th day of September, 1995.

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