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ORIGINAL
FILE COPY

September 20, 1996

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Betty Easley Conference Center, Rm. 110
Tallahassee, FL 32399-0850

Re: Docket No. 961038-TP

Dear Mrs. Bayó:

Enclosed is an original and fifteen copies of Response of BellSouth Telecommunications, Inc. To Petition of Sprint Communications Company, L. P., To Establish A Generic Proceeding, which we ask that you file in the captioned matter.

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

Sincerely,

Nancy B. White
Nancy B. White (BW)

- ACK
- AFA _____
- APP _____
- CAF _____
- CMU
- CTR _____
- EAG _____
- LEG 1
- LIN 5
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
William Ellenberg

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

10064 SEP 20 96

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re:

Petition of Sprint Communications Company)
Limited Partnership to Initiate a Generic)
Proceeding on Rates of BellSouth)
Telecommunications, Inc. for Interconnection,)
Unbundled Elements, Transport and Termination,)
and Resale)
_____)

DOCKET NO. 961088-TP

FILED: September 20, 1996

**RESPONSE OF BELL SOUTH TELECOMMUNICATIONS, INC.
TO PETITION OF SPRINT COMMUNICATIONS COMPANY, L.P.
TO ESTABLISH A GENERIC PROCEEDING**

BellSouth Telecommunications, Inc. ("BellSouth") hereby responds to the Petition of Sprint Communications Company, L. P. ("Sprint") To Establish A Generic Proceeding On Rates of BellSouth Telecommunications, Inc. For Interconnection, Unbundled Elements, Transport and Termination, and Resale Or, In The Alternative, Grant Intervention ("Petition") as follows:

1.

Through its Petition, Sprint asks the Commission to open a "generic proceeding" to "set the rates that BellSouth may charge for interconnection, unbundled network elements, transport and termination of traffic, and resale." Such a proceeding, according to Sprint, "would enable all interested parties to intervene and fully participate in the Commission's examination of these vital issues." In the alternative, Sprint asks the Commission to reconsider its previous Order denying "intervention with fully party status" issued in Docket No. 960833-TP to allow Sprint and other interested third parties to intervene in the pending arbitration proceeding between AT&T, MCI and BellSouth. (See, Order No. PSC-96-0933-PCO-TP, dated July 17, 1996.) For the reasons stated below, the Commission should deny Sprint's Petition.

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2.

In its July 17, 1996 Initial Order Establishing Procedure, the Commission set AT&T's Petition for Arbitration with BellSouth for hearing on October 9-11, 1996, and set forth a comprehensive schedule for filing of testimony and consideration of other procedural matters. In its Order On Consolidation And Procedure dated August 9, 1996, the Commission consolidated MCI's request for arbitration with the AT&T proceeding and revised its July 17 Order to allow for further filing of testimony and scheduling of other matters. Thus, the Commission has carefully structured a proceeding that is designed to resolve all contested issues between AT&T/MCI and BellSouth with respect to the parties' respective interconnection negotiations, including the cost and rate-setting issues contemplated by Sprint's Petition.

3.

Neither the Telecommunications Act of 1996 ("the Act") nor the FCC's August 8, 1996, Order requires the Commission to initiate such a generic proceeding. To initiate such a proceeding now would wreak havoc upon October 9-11 arbitration. Rather than "streamline" the "arbitration proceedings now pending before the PSC", carving out cost and rate-setting issues as suggested by Sprint would be disruptive, duplicative, and would jeopardize the Commission's ability to decide all contested interconnection issues prior to the statutory deadline mandated by the Act.

4.

The only "interested party" that would benefit from the establishment of such a generic proceeding is Sprint itself. Negotiations pursuant to Section 252 of the Act were commenced between BellSouth and Sprint on April 15, 1996. Sprint could have sought arbitration in Florida

as early as August 28, 1996, but has not done so.¹ Sprint could also have sought reconsideration of the Commission's July 17, 1996 Order denying intervention earlier, but did not do so.

5.

Finally, adopting default proxy rates pending the opening of Sprint's suggested cost proceeding is inappropriate and contrary to the FCC's proposed use of proxies. In its Order (Para. 767), the FCC stated that "we strongly encourage state commissions, as a general rule, to set arbitrated rates for interconnection and access to unbundled network elements..." If a state commission cannot, within the context of an arbitration, complete its review of arbitrated cost studies by the statutory deadline, the Order allows the state commission to establish "interim arbitrated rates based on proxies." The Commission has docketed a procedure wherein the appropriate rates for interconnection and unbundled network elements will be arbitrated prior to the statutory deadline. It is, therefore, inappropriate, duplicative and unnecessary for the Commission to carve out the cost study/rate setting portion of the scheduled arbitration, impose proxy rates, and then docket another proceeding to consider the same issues.

6.

In conclusion, contrary to Sprint's assertion, establishment of a generic proceeding would complicate, rather than streamline, the ongoing arbitration proceedings. As stated above, Sprint still has the opportunity to seek arbitration with regard to any unresolved Section 251 issues between it and BellSouth should it timely file a Petition for Arbitration with the Commission.

¹ Sprint has until September 23, 1996 (165 days from April 15) to seek arbitration under the Act.

WHEREFORE, BellSouth respectfully requests the Commission to reject Sprint's request for establishment of a generic proceeding and its request to intervene in the arbitration proceeding set for hearing on October 9-11.

Respectfully submitted this 20th day of September, 1996.

BELLSOUTH TELECOMMUNICATIONS, INC.

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CERTIFICATE OF SERVICE
DOCKET NO. 961088-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

U. S. regular mail this 20th day of September, 1996 to the following:

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