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November 13, 1996

VIA HAND DELIVERY

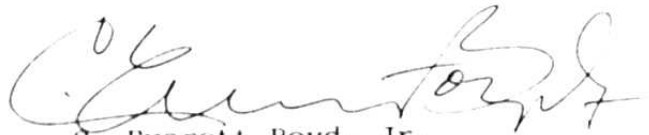
Honorable Blanca S. Bayo
Director - Records and Reporting
Florida Public Service Commission
Room 110
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 961173-TP

Dear Ms. Bayo:

Enclosed for filing are an original and 15 copies of Sprint Communications Company Limited Partnership's Prehearing Statement with regard to the referenced docket.

Sincerely,


C. Everett Boyd, Jr.

CEBJr/bc
Enclosures

cc: Attorneys of Record

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DOCUMENT NO. 12097
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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by Sprint for
Arbitration with GTE Florida concerning
Interconnection Rates, Terms and
Conditions, Pursuant to the Federal
Telecommunications Act of 1996

Docket No. 961173-TP

Filed: November 13, 1996

**PREHEARING STATEMENT OF
SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP**

COMES NOW, Sprint Communications Company Limited Partnership ("Sprint"), by and through its undersigned counsel, and in compliance with the Commission's Order on Prehearing Procedure, and submits its Prehearing Statement.

A. Witnesses

Sprint intends to call Michael R. Hunsucker and David E. Stahly as witnesses; Mr. Hunsucker will adopt the direct testimony of Tony Key. Sprint reserves the right to call additional witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony, and witnesses to address issues not presently designated which may be designated by the Prehearing Officer at the prehearing conference.

B. Exhibits

1. (MRH-1) Sprint's Term Sheet
2. (MRH-2) Sprint's Proposed Resale and Interconnection Agreement
3. (MRH-3) Sprint's Term Sheet Matrix
4. (DES-1) Expense Analysis
5. (DES-2) Cost Analysis

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C. Sprint's Statement of Basic Position

Congress has created an historic opportunity for the Florida Public Service Commission by passing the Telecommunications act of 1996. The Act provides the framework for real local telephone service competition designed to benefit Florida consumers. This framework is intended to enable new entrants to effectively compete, not only with other new entrants, but with the incumbent LEC. The Act in conjunction with the FCC Order and Rules ensures that the incumbent LEC allows interconnection at any technically feasible point and at parity with itself; unbundle certain elements of the network; to price the elements based upon TELRIC; provide for the resale of retail services at wholesale rates that are absent avoidable costs; and make prices, terms and conditions available to all new entrants on a nondiscriminatory basis.

Effective competition can only be accomplished if the Commission implements the Act and FCC Rules to the furthest extent possible. New entrants must be enabled to compete on equal terms with the incumbent LEC in addition to other new entrants. In this regard, Sprint requests that the Commission adopt the contract in Sprint's Exhibit 4 to the Sprint Petition. This contract, once implemented, will allow the consumer to determine who is successful in the market.

D. Issues and Positions

ISSUE 1. Are the following items considered to be network elements, capabilities, or functions? If so, is it technically feasible for GTEFL to provide Sprint with these elements?

- Network Interface Device
- Local Loop
- Local Switching
- Operator Systems
- Interoffice Transmission Facilities
- Tandem Switching
- Signaling and Call Related Databases
- Directory Assistance (DA) Service
- Operations Support Systems

SPRINT'S POSITION:

The FCC First Report and Order in Docket 96-98 (Order), paragraph 536, requires that incumbent local exchange carriers (ILECs) unbundle Operator Services and Directory Assistance to the extent technically feasible. GTEFL is unique among LECs in their opposition to Operator Services and Directory Assistance unbundling. Other LECs have agreed to offer these services on an unbundled basis, using varying technical solutions. See also Sections 3(a) and 251(c)(3) of the Telecommunications Act of 1996 (Act).

ISSUE 2. What should the rates, terms and conditions be for each of the items listed in Issue 1 considered to be network elements, capabilities or functions?

SPRINT'S POSITION:

Sprint asserts that the rates for unbundled network elements listed in Issue 1 should be based upon the TELRIC of a given

element, utilizing forward-looking, rather than historical, assumptions for investment, expenses and overhead loadings

As a matter of marketplace parity, however, Sprint would accept the ordered rates as established by the AT&T/GTEFL arbitration's, and believes that to vary prices among competitors for services purchased from the same supplier in the same market would be unjust and discriminatory.

Further, Sprint does not agree with GTEFL's input and loading assumptions and resulting prices. Sprint also contends that GTEFL should deaverage its unbundled loops, switching and transport into at least three geographic zones, based on cost differences.

ISSUE 3. Should GTEFL be prohibited from placing any limitations on Sprint's ability to combine unbundled network elements with one another, or with resold services, or with Sprint's, or a third party's facilities to provide telecommunications services to consumers in any manner Sprint chooses?

SPRINT'S POSITION:

GTEFL should be prohibited from restricting Sprint's ability to combine network elements. The FCC spoke extensively on this in its Order, paragraphs 292, 328-329, and established FCC Rules Sections 51.309 and 51.315. See also Section 251(c)(3) of the Act.

ISSUE 4. What services provided by GTEFL, if any, should be excluded from resale?

SPRINT'S POSITION:

GTEFL services available for resale should include all services offered at retail to end users, including promotional

(more than 90 days), proprietary, enhanced, grandfathered, packaged, individual customer-based, contracted and sunsetted services. See Section 251(c)(4)(A) of the Act. See also, Order, paragraphs 871, 948, 956, and 968; FCC Rules Section 51.603.

GTEFL must either make each of its retail service offerings available for resale without unreasonable or discriminatory conditions or limitations, or remove from general wholesale prices as an avoided cost "social program" costs that GTEFL no longer funds. See Section 251(c)(4)(A) of the Act and FCC Rules Sections 51.603, 51.605.

GTEFL must make each of its retail service offerings available for resale without unreasonable or discriminatory conditions or limitations. See Section 251(c)(4) of the Act and FCC Rules, Sections 51.603 and 51.609.

The wholesale pricing structure should mirror GTEFL's retail pricing structure, as, for example, in volume discounts, flat or measured charges, etc. See FCC Order paragraphs 871, 907, req. See also FCC Rule Sections 51.607-51-609.

ISSUE 5. What are the appropriate wholesale recurring and non-recurring charges, terms and conditions for GTEFL to charge when Sprint purchases GTEFL's retail services for resale?

SPRINT'S POSITION:

Generally, pricing of wholesale recurring and non-recurring services should be based on the retail services less avoided costs. Advertising are avoided costs. Call completion costs (Operator Services) are avoided when Sprint uses its own operator services.

Number service costs (Directory Assistance) are avoided when Sprint uses its own operators to perform Directory Assistance. Some product management costs are avoided. All retail sales expenses are avoided costs. Retail uncollectible expenses relating to wholesale services sold to Sprint are avoidable costs since Sprint will be responsible for all charges. See Section 252(d)(3) of the Act. See also, FCC Order Sections 911, 917 and FCC Rules Sections 51.609.

In no instance should "opportunity costs" be included as an offset to avoided costs, as the FCC explicitly excluded such offsets, and its inclusion would serve to insulate GTEFL from competition, via its competitors.

As a matter of marketplace parity, Sprint would accept the rates as set forth in the preceding AT&T/GTEFL arbitration, and believes that GTEFL must be required to offer services to all participants in a given market at the same prices.

ISSUE 6. Should GTEFL be required to provide real-time and interactive non-discriminatory access via electronic interfaces to perform the following?:

- Pre-Service Ordering
- Maintenance/Repair
- Service Order Processing and Provisioning
- Customer Usage Data Transfer/Billing Interfaces
- Local Account Maintenance
- Network Identification Database

SPRINT'S POSITION:

Yes. Operational interfaces must be provided at parity with GTEFL. Nondiscriminatory access necessarily includes access to the functionality of any internal gateway systems GTEFL employs in performing pre-ordering, ordering, provisioning, maintenance, repair and billing functions for itself. See Section 251 (c) of the Act and FCC Order, paragraphs 520-527.

ISSUE 7. If GTEFL is required to provide real-time and interactive non-discriminatory access via electronic interfaces to perform any of the items listed in Issue 6, in what time frame should these items be deployed?

SPRINT'S POSITION:

GTEFL should be ordered to immediately implement a mutually acceptable real-time interface (gateway) for local service delivery as an interim measure while a parity electronic interface is being developed. Fully electronic interfaces must be provided no later than 12 months after industry standards are adopted. FCC Order, paragraph 525. This requirement is not discharged by offering access that requires human intervention. See Section 251(c) of the Act, FCC Order, paragraphs 520, 523.

ISSUE 8. What are the costs incurred by GTEFL in Issue 7, and how should those costs be recovered?

SPRINT'S POSITION:

GTEFL is required to provide competing carriers with non-discriminatory access to OSS functions under just, reasonable and nondiscriminatory terms.

Sprint is not in a position to estimate the costs of implementing OSS interfaces for GTEFL. The TELRIC of OSS interfaces should be recovered from all users (including GTEFL if it utilizes such interfaces) on a competitively neutral basis. Sprint is not willing to incur any cost related to upgrade GTEFL's IS system that are not directly related to OSS. To the extent GTEFL has antiquated systems, it must solely incur the cost of upgrades that would enable it to implement OSS interfaces. See Section 251(c) of the Act, FCC Order, paragraphs 516-517.

ISSUE 9. Is it appropriate for GTEFL to provide customer service records to Sprint for pre-ordering purposes? If so, under that conditions?

SPRINT'S POSITION:

Yes. A customer's service record may be disclosed for the purpose of enabling the new carrier to provide service under the exception in Section 222(d) of the Act. GTEFL should not refuse to execute a change "As is" service order for a customer switching to Sprint local service. See Sections 222 and 251(c)(4) of the Act. See also FCC Order paragraphs 516-523.

As agent for its end users, Sprint, under blanket letter of agency authority, should be allowed to retrieve this information and circumvent an inefficient and error-prone process. BellSouth has agreed to provide "transfer as is" conversions; GTEFL should be required to do the same.

ISSUE 10. What are the appropriate rates, terms and conditions for Sprint's interconnection with GTEFL's network?

SPRINT'S POSITION:

Sprint agrees with GTEFL's use of TELRIC as the appropriate cost methodology. Sprint does not agree with GTEFL's input and loading assumptions and resulting prices. (See Response to 2 above.)

ISSUE 11. Should GTEFL be permitted to impose any restrictions on interconnection facilities (i.e., trunking, traffic types, routing)?

SPRINT'S POSITION:

No. GTEFL should not be permitted to place restrictions on interconnection facilities, including no restrictions on combinations of traffic, transport of traffic between tandems, etc., unless GTEFL proves that such restrictions are due to GTEFL's technical infeasibility as well as proves that an alternate solution (i.e. Sprint recording traffic and providing to GTEFL) is not also feasible. Single trunk groups for all traffic flows are technically feasible and should be provided when either the originating or terminating carrier can provide jurisdictional traffic measurements.

ISSUE 12. What should be the rates, terms and conditions for collocation and cross-connects?

SPRINT'S POSITION:

This issue has been resolved by the parties and is withdrawn from the docket.

ISSUE 13. What rates, terms and conditions should apply to access provided by GTEFL for its poles, ducts, conduits, and rights-of-way?

SPRINT'S POSITION:

This issue has been resolved by the parties and is withdrawn from the docket.

ISSUE 14. Should GTEFL be required to provide Sprint access to GTEFL's directory assistance database and 911/E911?

SPRINT'S POSITION:

This issue has been resolved by the parties and is withdrawn from the docket.

ISSUE 15. If the process in Issue 14 requires the development of additional capabilities by GTEFL, in what time frame should they be deployed?

SPRINT'S POSITION:

This issue has been resolved by the parties and is withdrawn from the docket.

ISSUE 16. What are the costs incurred by GTEFL in Issue 15, and how should those costs be recovered?

SPRINT'S POSITION:

This issue has been resolved by the parties and is withdrawn from the docket.

ISSUE 17. Should GTEFL be required to route Sprint's customer directory assistance calls to Sprint's Directory Assistance centers?

SPRINT'S POSITION:

Yes, in both a resold and an unbundled network environment. Sprint requests a selective routing service, which would automatically route all Operator Services and Directory Assistance calls to Sprint's platform. GTEFL must unbundle the functionalities for OS and DA in connection with resold services, to the extent technically feasible. GTEFL must prove to the Commission that customized routing in a particular switch is not technically feasible. See Sections 3(a)(45) and 251(c) (3) and (4) of the Act, FCC Order paragraphs 418 and 536.

ISSUE 18. What kind of branding, if any, is appropriate for operator services and directory assistance services?

SPRINT'S POSITION:

In the limited situations where GTEFL will provide OS and DA to Sprint customers, Sprint requested that these services be branded. "[Where] operator, call completion, or directory assistance service is part of the service or service package an incumbent LEC offers for resale, failure by an incumbent LEC to comply with reseller branding requests presumptively constitutes an unreasonable restriction on resale." See Section 251(c)(4) of the Act and FCC Order paragraph 971.

ISSUE 19. When GTEFL's employees or agents interact with Sprint's customers with respect to a service provided by GTEFL on behalf of Sprint, what type of branding requirements are technically feasible or otherwise appropriate?

SPRINT'S POSITION:

In no instance is it acceptable for GTEFL to advertise its brand while conducting its business on behalf of Sprint before a Sprint end user. The following are examples of acceptable behavior: providing a non-branded customer-not-at-home card when a repair technician visits the end user; non-branded N11 access to GTEFL business office/service centers; non-branded vertical service features provided by GTEFL on behalf of Sprint.

GTEFL should discontinue use of 611 and 811 dialing patterns when Sprint resale customers cannot access Sprint Offices through these dialing patterns. This outcome is required by Section 251(b)(3) of the Act.

ISSUE 20. Should Sprint customers receive either a bill from the directory publisher or from Sprint, as an agent of the directory publisher, for white and yellow page advertising?

SPRINT'S POSITION:

This issue has been resolved by the parties and is withdrawn from the docket.

ISSUE 21. What should be the cost recovery mechanism for recurring and/or non-recurring charges to provide interim local number portability in light of the FCC's recent order?

SPRINT'S POSITION:

Interim number portability should be priced according to FCC pricing principles to ensure that costs are allocated on a competitively neutral basis. The costs for interim number portability should not result in discrimination between GTEFL and

Sprint. The FCC Order on number portability, Docket 95-116, states that the interim number portability rate should be less than incremental cost and should approach zero, as GTEFL incumbent does not have to incur a charge to port a number. See In the Matter of Telephone Number Portability, Docket 95-116, adopted June 27, 1996. See also Section 251(e)(2) of the Act.

ISSUE 22. What should be the compensation mechanism for the exchange of local traffic between Sprint and GTEFL?

SPRINT'S POSITION:

Sprint agrees with GTEFL's use of TELRIC as the appropriate cost methodology. Sprint does not agree with GTEFL's input and loading assumptions and resulting prices.

Sprint supports interim bill and keep with +/- 10% balanced traffic, with TELRIC-based charges if traffic falls out of 50/50 balance by more than 10%.

Optional and mandatory EAS traffic should be terminated as local traffic for no additional "toll-like" compensation.

ISSUE 23. Should GTEFL make available any price, term and/or condition offered to any carrier by GTEFL to Sprint on a Most-Favored Nation's (MAN) basis? If so, what restrictions, if any, would apply?

SPRINT'S POSITION:

Sprint asserts that GTEFL is required to make available, without unreasonable delay, any more favorable terms for individual services, network elements, and interconnection which GTEFL offers to others. See Section 251(i) of the Act for full statement of

requirements. See also FCC Order paragraphs 1310, 1316, FCC Rule Section 51.809.

E. Stipulations

No issues have yet been stipulated in this proceeding.

F. Pending Motions

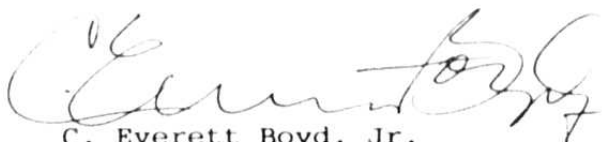
Sprint has no motions pending at this time.

G. Other Requirements

Sprint is not aware of any requirements set forth in the Commission's Order on Prehearing Procedure with which it is unable to comply.

DATED this 13th day of November, 1996.

Respectfully submitted,



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of the law firm of
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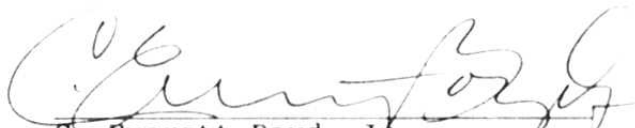
Attorneys for Sprint Communications
Company Limited Partnership

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by hand delivery on this 13th day of November 1996, to the following:

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