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November 13, 1996

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

RE: Docket No. 961150-TP

Dear Mrs. Bayo:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Prehearing Statement. Please file these documents in the captioned dockets.

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 on the parties shown on the attached Certificate of Service.

Sincerely,

*Nancy B. White (B2)*  
Nancy B. White

Enclosures

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

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU** \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG **3** \_\_\_\_\_
- LIN **2** \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC **1** \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

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**CERTIFICATE OF SERVICE**  
**DOCKET NO. 961150-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by Federal Express this 13th day of November, 1996 to the following:

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Nancy S White (sd)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Sprint	)	
Communications Company	)	
L.P. for Arbitration of	)	
Interconnection with BellSouth	)	Docket No.: 961150-TP
Telecommunications, Inc.	)	
Under the Telecommunications	)	Filed: November 13, 1996
Act of 1996	)	
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PREHEARING STATEMENT OF  
BELLSOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications, Inc. ("BellSouth"), in compliance with the Order Establishing Procedure (Order No. PSC-96-1282-PCO-TP), issued October 15, 1996, submits its Prehearing Statement for Docket No. 961150-TP.

A. WITNESSES

BellSouth proposes to call the following witnesses to offer direct and rebuttal testimony on the issues in these dockets:

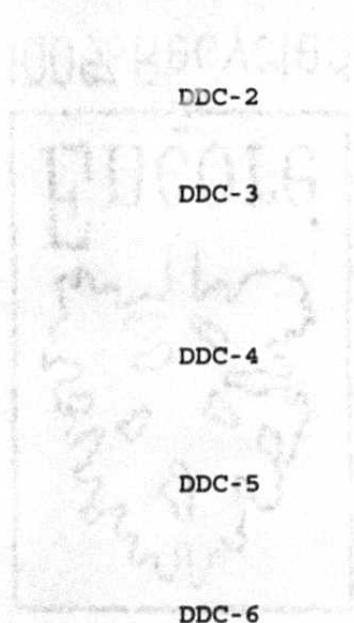
<u>Witnesses</u>	<u>Subject/Issues</u>
A. J. Varner (Direct and Rebuttal)	1-27
Robert C. Scheye (Direct and Rebuttal)	1-27
Dr. Richard D. Emmerson (Rebuttal)	2, 4
D. Daonne Caldwell (Direct)	2
Walter S. Reid (Direct)	4
Gloria Calhoun (Direct and Rebuttal)	8, 9, 10, 11, 13, 15, 17, 20, 26

W. Keith Milner (Direct)	1, 12, 14, 26, 22, 23, 24
Anthony V. Pecoraro (Direct)	1, 12, 14
William V. Atherton, Jr. (Direct)	18, 21

BellSouth reserves the right to call additional rebuttal witnesses, witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to address issues not presently designated that may be designated at the prehearing conference to be held on November 25-27, 1996.

**B. EXHIBITS**

<u>Witness</u>	<u>Document Indicator</u>	<u>Title of Exhibit</u>
A. J. Varner	AJV-1	Florida Retail, Resale, and Unbundling Comparisons
	AJV-2	Testimony of A.J. Varner in Docket No. 950737-TP
Robert C. Scheye	RCS-1	Issues Matrix
	RCS-2	Price List for Unbundled Service Elements
	RCS-3	Florida - BellSouth TELRIC and Proposed Prices
Dr. Richard D. Emmerson	RDE-1	Comparison of Common Cost
D. Daonne Caldwell	DDC-1	Illustrative Examples for Unbundled Loops



DDC-2

Illustrative Examples  
of Unbundled Ports

DDC-3

Loop Channelization  
System and Central  
Office Channel  
Interface

DDC-4

Procedures for  
Developing Recurring  
TELRIC

DDC-5

Procedures for  
Developing  
Nonrecurring TELRIC

DDC-6

TELRIC Methodology  
for Determining  
Shared and Common  
Cost Factors

DDC-7

Common Cost Factor  
Development

DDC-8

Florida Cost Study  
for Unbundled Loops  
(proprietary)

DDC-9

Florida Cost Study  
for 4-wire DS1  
Digital Grade Loop  
(proprietary)

DDC-10

Florida Cost Study  
for Unbundled  
Exchange Ports  
(proprietary)

DDC-11

Florida Cost Study  
for Unbundled Loop  
Channelization System  
and Central Office  
Channel Interface  
(proprietary)

DDC-12

Florida Cost Study  
Special Access Voice  
Grade Service  
(proprietary)

DDC-13	Florida Cost Study for Operator Call Processing Access Service
DDC-14	Florida Cost Study for Inward Operator Services Access Service
DDC-15	Florida Cost Study for Emergency Call Trace Service
DDC-16	Florida Cost Study for Directory Assistance Access Service (proprietary)
DDC-17	Florida Cost Study for Directory Assistance Database Service (proprietary)
DDC-18	Florida Cost Study for Direct Access to Directory Assistance Service (proprietary)
DDC-19	Florida Cost Study for DACC Access Service (proprietary)
DDC-20	Florida Cost Study for Directory Transport (proprietary)
DDC-21	Florida Cost Study for Number Services Intercept Access Service (proprietary)
DDC-22	Florida Cost Study for CCS7 Signaling Transport Service (proprietary)

	DDC-23	Florida Cost Study for 800 Access Ten Digit Screening Service
	DDC-24	Florida Cost Study for Line Information Database Access Service
	DDC-25	Florida Cost Study for Unbundled Local Usage (proprietary)
Walter S. Reid	WSR-1	Florida Resale Study
	WSR-2	Avoided Cost Discount Model Basic Equation
	WSR-3	Florida Calculation based on criteria in FCC's Report and Order released on August 8, 1996
Gloria Calhoun	GC-1	Timeline and Costs
	GC-2	Comparison of Access and Resale Electronic Order Communications Process
	GC-3	Pre-Ordering Interface for Resellers
	GC-5	Ordering and Billing Forum Issue Identification Form
	GC-6	Ordering and Billing Forum Issue Identification Form
	GC-7	Poll

	GC-8	Comparison of Access and Resale Electronic Order Communications Processes
W. Keith Milner	WKM-1	Table showing the results of BellSouth's study of LCC consumption as a result of selective routing
Anthony V. Pecoraro	AVP-1	Call Translation Blocks
	AVP-2	Terms used in Translation Table Descriptions
	AVP-3	Translations Table Association Chart
William V. Atherton	WVA-1	Interoffice Interconnection

BellSouth reserves the right to file exhibits to any additional testimony that may be filed under the circumstances identified in Section "A" above. BellSouth also reserves the right to introduce exhibits for cross-examination, impeachment, or any other purpose authorized by the applicable Florida Rules of Evidence and the Rules of this Commission.

C. STATEMENT OF BASIC POSITION

BellSouth has negotiated in good faith with Sprint for several months in an effort to reach an interconnection agreement. As a result of the parties' inability to reach agreement on some critical issues, Sprint exercised its option



under Section 252 of the Act and petitioned the Commission for Arbitration of these issues. BellSouth, however, believes that the Act is specific as to the issues that are to be arbitrated, and as such, some of the issues that Sprint has requested be arbitrated are beyond the scope of the Act and are not issues appropriate for the Commission to arbitrate.

On August 8, 1996, the Federal Communications Commission ("FCC") released its First Report and Order in Docket No. 96-98 (the "Order") concerning interconnection issues. With regard to the pricing of unbundled loops, the FCC Order established a Florida proxy loop rate for use on an interim basis until such time as Total Element Long Run Incremental Cost ("TELRIC") studies were completed by BellSouth. Moreover, the FCC Order requires pricing of loop rates for at least three geographically deaveraged zones. The FCC order also set a proxy rate for local interconnection.

BellSouth believes that the FCC's Order contravenes the clear intent of Congress in the Act and is a case of regulatory micromanagement by the FCC. The pricing provisions and the "pick and choose" portion of the Order were stayed by the Eighth Circuit Court of Appeals on October 15, 1996. The Commission is free to continue to exercise its authority to carry out its responsibilities in implementing Congress' intent. Until such time as the merits of the FCC Order are decided, BellSouth

believes the Commission should price loops at BellSouth's proposed rates on a non-deaveraged basis and price interconnection at BellSouth's proposed rate.

Although Sprint has requested the arbitration of a myriad of issues in their petitions, three major issues stand out: the specific elements to be unbundled, the pricing of local interconnection and the unbundled elements, and the appropriate resale discount. BellSouth believes that the local interconnection rate should be set at a rate that mirrors the traffic sensitive elements of the toll switched access rate, i.e. approximately \$0.01 per minute. This will facilitate the inevitable transition of all interconnection types to a single rate structure. BellSouth's proposed rate is consistent with the pricing standards of the Act and has been agreed to by other competitors, including MCI, in agreements reached with BellSouth.

BellSouth also believes its proposal for pricing the various unbundled elements is consistent with the Act, with Florida Statutes, and with previous decisions by this Commission. In addition, BellSouth has set forth exactly which unbundled elements BellSouth is technically able to provide and which unbundled elements are not technically feasible. Further, BellSouth believes its avoided cost study is consistent with the Act, indicating clearly the costs that will be avoided for resale.

BellSouth believes its positions on the individual issues in this case are reasonable, nondiscriminatory and will lead to local competition in the State of Florida. Moreover, BellSouth's recommendations will allow BellSouth to remain a viable local exchange company, providing quality telecommunications services at affordable rates to consumers in Florida. Overall, BellSouth's recommendations are in the public interest, comport with the provisions of Sections 251 and 252 of the Act, and form the basis for a full interconnection agreement between BellSouth and Sprint.

D. BELLSOUTH'S POSITION ON THE ISSUES

Issue No. 1: Are the following items considered to be network elements, capabilities, or functions? If so, is it technically feasible for BellSouth to provide Sprint with these elements?

Local Loop  
Network Interface Device  
Local Switching  
Operator Systems  
Interoffice Transmission Facilities  
Signaling and Call Related Databases

Position:

Network Interface Device ("NID")

(1) NID-to-NID connection should not be considered an unbundled element, however, it is technically feasible.

(2) Neither unbundling of the NID nor direct connection of the Sprint loop to the BellSouth NID are technically feasible.

Local Loops

These are unbundled network elements and are technically feasible.

Local Switching

Local Switching capability, involving the line termination (port) and line side switching (dial tone) is an unbundled network element. If defined to include selective routing, this is not considered to be an unbundled network element, capability, or function. Local switching, if defined as selective routing, is not technically feasible for all ALECs.

Operator Systems

Unbundled operator services are unbundled network elements. If defined to include specific branding requirements associated with selective routing, this is not considered to be an unbundled network element, capability, or function. Operator systems, if defined to include these functions, is not technically feasible.

Interoffice Transmission Facilities

These are unbundled network elements and are technically feasible.

Tandem Switching

This is considered to be an unbundled network element, capability or function and is technically feasible.

Signaling and Call Related Databases

Signaling is considered to be an unbundled network element, capability or function and is technically feasible. Call related databases are not unbundled elements.

Issue No. 2: What is the price of each of the items considered to be network elements, capabilities, or functions?

Position: BellSouth's proposed prices are contained in the testimony of BellSouth's witness, Robert Scheye.

Issue No. 3: What services provided by BellSouth, if any, should be excluded from resale?

Position: Obsoleted/grandfathered services, Contract Service Arrangements, promotions, Link Up, Lifeline, 911/E911, state specific discount plans or services, and N11 services should be excluded from resale.

Issue No. 4: What are the appropriate wholesale rates to charge when Sprint purchases BellSouth's retail services for resale?

Position: The wholesale discount rate for BellSouth to charge when Sprint purchases BellSouth's retail services for resale is 19.0% for residential services and 12.2% for business services.

Issue No. 5: Should BellSouth be required to provide notice to its wholesale customers of changes to BellSouth's services? If so, in what manner and in what time frame?

Position: Yes, in the same manner and timeframe that BellSouth provides these services to others, including end users.

Issue No. 6: What are the appropriate standards, if any, for performance metrics, service restoration, and quality assurance related to services provided by BellSouth for resale and for network elements provided to Sprint by BellSouth?

Position: BellSouth will provide the same quality for services provided to Sprint that BellSouth provides to its own customers for comparable services.

Issue No. 7: What is the appropriate remedy for breach of the standards identified in Issue 6?

Position: This is not an issue subject to arbitration under the Act.

Issue No. 8: Should BellSouth be required to provide real-time and interactive access via electronic interfaces as requested by Sprint to perform the following:

- Pre-Service Ordering
- Service Trouble Reporting
- Service Order Processing and Provisioning (including identification of line option by LSO)
- Billing Integrated Test Functionality

Position: BellSouth has made available, or has under development, appropriate interfaces for each function. Ordering interfaces should be consistent with industry standards. Interfaces or enhancements not already developed will be available by April, 1997, if not sooner.

Issue No. 9: If BellSouth is required to develop real-time and interactive access via electronic interfaces for any of the

items listed in Issue 8, what are the costs, and how should they be recovered?

Position: BellSouth should recover the costs of these interfaces, however, costs are not finalized.

Issue No. 10: Should BellSouth be required to notify Sprint of resold customer disconnects within 48 hours of disconnection? To the extent that this is not provided via electronic database access, how should that notification take place?

Position: Yes. Such notification will take place via a mechanized letter and a daily electronic batch feed.

Issue No. 11: Is it appropriate for BellSouth to provide customer service records to Sprint for preordering purposes?

Position: BellSouth will provide such records with the permission of the customer, but will not provide direct on-line access to these records.

Issue No. 12: When Sprint resells BellSouth's local exchange service or purchases unbundled local switching, is it technically feasible or otherwise appropriate to route 0+ and 0- calls to an operator other than BellSouth's, to route 411 and 555-1212 directory assistance calls to an operator other than

BellSouth's, or to route 611 repair calls to a repair center other than BellSouth's?

Position: No, selective routing to multiple provider platforms using the same dialed digits is not technically feasible. BellSouth can route calls to an ALEC's requested service if the ALEC provides the appropriate unique dialing arrangements.

Issue No. 13: How should misdirected service calls be handled by BellSouth?

Position: BellSouth's service representatives should refer the customer to Sprint and provide the customer with a contact number.

Issue No. 14: When Sprint resells BellSouth's service is it technically feasible or otherwise appropriate for BellSouth to brand operator services and directory services calls that are initiated from those resold services?

Position: No. Selective Routing is not technically feasible.

Issue No. 15: When Sprint uses BellSouth's operator services either on a resale basis or as an unbundled element, should BellSouth quote Sprint specific rates?



Position: No. Sprint's request is not an appropriate issue for arbitration under the Act.

Issue No. 16: When BellSouth's employees or agents interact with Sprint's customers with respect to a service provided by BellSouth on behalf of Sprint, what type of branding requirements are technically feasible or otherwise appropriate?

Position: BellSouth service technicians will advise customers that they are providing service on behalf of the specific ALEC.

Issue No. 17: Should BellSouth provide Sprint access to BellSouth's directory assistance and 911/E911 databases?

Position: BellSouth will provide access to the 911/E911 database and to the directory assistance database under certain conditions.

Issue No. 18: What are the appropriate rates, terms and conditions for Sprint's interconnection with BellSouth's network?

Position: The appropriate rates, terms and conditions for local interconnection are those contained in the testimony of Mr. Scheye and the price list attached to his testimony.

Issue No. 19: What is the compensation mechanism for the exchange of local traffic between Sprint and BellSouth?

Position: Rates for local interconnection should be based on intrastate switched access charges, minus the Residual Interconnection Charge and the Carrier Common Line Charge.

Issue No. 20: Are meet point billing arrangements appropriate between BellSouth and Sprint?

Position: In some circumstances, meet-point billing arrangements are appropriate.

Issue No. 21: What are the appropriate trunking arrangements between Sprint and BellSouth for local interconnection?

Position: Each interconnecting party should have the right to determine the most efficient trunking arrangements for its network.

Issue No. 22: Should BellSouth make access to conduits, poles, ducts and rights-of-way available to Sprint on terms and conditions equal to that it provides itself?

Position: No. BellSouth should be able to reserve a maintenance spare for use in emergency situations.

Issue No. 23: What should be the appropriate cost recover mechanism, if any, for field surveys related to right-of-way use?

Position: The charges for such surveys should be handled on a case by case basis. BellSouth should recover the actual cost.

Issue No. 24: What are the appropriate rates, terms and conditions for Carrier Identification Parameter?

Position: BellSouth will provide the Carrier Identification Parameter feature to Sprint under currently tariffed rates, terms, and conditions.

Issue No. 25: How should BellSouth treat a PIC change request received from an IXC other than Sprint for a Sprint local customer?

Position: BellSouth plans to handle all PIC requests under the same guidelines and framework currently used to handle PIC requests for IXCs.

Issue No. 26: Should BellSouth be required to provide parity access to switch features, overflow/congestion conditions, equipment/interface protection, power redundancy, and sufficient spare facilities to ensure provisioning, repair, performance, and availability?

Position: To the extent feasible, BellSouth will provide access to these items.

Issue No. 27: Should BellSouth make available any interconnection, service or network element provided under an agreement approved under 47 U.S.C. § 252, to which it is a party, to Sprint under the same terms and conditions provided in the agreement?

Position: A requesting carrier is not allowed to "pick and choose" individual rates, terms, and conditions for a given service or from a given agreement.

E. STIPULATIONS

There are no stipulations of which BellSouth is aware.

F. PENDING MOTIONS

None.

G. OTHER REQUIREMENTS

BellSouth knows of no requirements set forth in any prehearing order with which it cannot comply.

H. PROPOSED POST DECISION PROCEDURE

BellSouth proposes that 60 days from the date the order is issued is the appropriate length of time for the parties to submit arbitrated agreements incorporating the Commission's decision. This proposed timeframe is consistent with BellSouth's experience in negotiations. BellSouth can find no authority under the Act that allows parties to submit individual arbitration agreements from which the Commission may choose in the event the parties cannot reach agreement. BellSouth believes that such a procedure would result in a non-binding contract because there would be no meeting of the minds between the parties involved. Because of this objection, BellSouth proposes, as an alternative, that a neutral independent third party be appointed by the Commission to assist the parties in reaching a written agreement between the individual entities and BellSouth.

Respectfully submitted this 13th day of November, 1996.

BELLSOUTH TELECOMMUNICATIONS, INC.

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