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December 6, 1996

**ORIGINAL
FILE COPY**

BY HAND DELIVERY

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

Re: Docket No. 961230-TP

Dear Ms. Bayo:

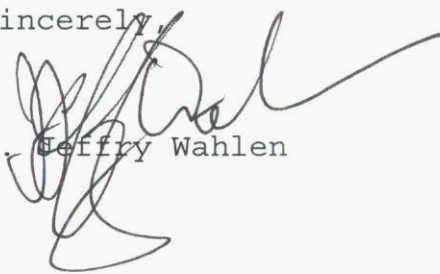
Enclosed are the original and fifteen (15) copies of Sprint United/Centel's Joint Prehearing Statement.

We are also submitting the Joint Prehearing Statement on a 3.5" high-density diskette generated on a DOS computer in WordPerfect 5.1 format.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,


J. Jeffrey Wahlen

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 CAF _____ Enclosures
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by MCI Telecommuni-)
 cations Corporation for arbitration) DOCKET NO. 961230-TP
 with United Telephone Company of) Filed: December 6, 1996
 Florida and Central Telephone Company)
 of Florida concerning interconnection)
 rates, terms, and conditions,)
 pursuant to the Federal Telecommuni-)
 cations Act of 1996)
 _____)

**SPRINT UNITED/CENTEL'S
JOINT PREHEARING STATEMENT**

United Telephone Company of Florida ("Sprint/United") and Central Telephone Company of Florida ("Sprint/Centel") (collectively "Sprint"), through its undersigned counsel, file the following Prehearing Statement.

A. WITNESS: Sprint will offer the prepared direct testimony and supplemental direct testimony of Michael R. Hunsucker, James D. Dunbar, Jr. and Randy G. Farrar, and the rebuttal testimony of James D. Dunbar, Jr. Mr. Hunsucker will address Issues 1 - 8 and 10 - 27; Mr. Dunbar will address Issue 3b; and Mr. Farrar will address Issues 3b and 9. To the extent that any other issues are included in this proceeding, Sprint reserves the right to provide additional testimony and furnish its position on any such issues.

B. EXHIBITS: Sprint will offer the exhibits attached to the prepared direct testimony of Michael R. Hunsucker (MRH-1 through MRH-5), James D. Dunbar, Jr. (JDD-1), and Randy G. Farrar (RGF-1 and RGF-2); the supplemental direct testimony of Michael R.

Hunsucker (MRH-6), James D. Dunbar, Jr. (JDD-2), and Randy G. Farrar (RGF-3); and the rebuttal testimony of James D. Dunbar, Jr. (JDD-3).

C. **BASIC POSITION:** This arbitration proceeding was instituted at the request of MCI pursuant to Section 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("Act").¹ In its Petition for Arbitration ("Petition"), MCI has requested arbitration of 13 categories of allegedly unresolved issues. A number of the issues identified by MCI in its Petition as being unresolved have, in fact, been resolved or will be resolved before the scheduled hearings. Moreover, there are other issues raised by MCI which are beyond the authority of the Commission which is established in Sections 251 and 252 of the Act. These issues have been addressed in Sprint's Motion to Dismiss.

Sprint has negotiated with MCI in a good-faith effort to resolve all of MCI's request for interconnection, unbundling and resale of services. Some of what MCI has requested is based upon the FCC's First Report and Order and Rules in CC Docket No. 96-98, portions of which have been stayed pending appeal by the Eighth Circuit Court of Appeals; specifically the "pricing" and "pick and choose" provisions. Sprint, nonetheless, agrees with MCI that the prices established by the Commission for local call termination and

¹ Telecommunications Act of 1996, Pub.L.No. 104-104, § 101(a), 110 Stat. 56 (to be codified as amended at 47 U.S.C., § 252(b)).

unbundling should be based upon Total Element Long Run Cost ("TELRIC") plus an allocation of common cost. It is important that the Commission adopt a costing methodology which will be applied consistently on a statewide, industry-wide basis.

The positions taken by Sprint on local call termination, unbundling, resale of services and the other issues are fair and reasonable. Moreover, Sprint continues to work with MCI to resolve these issues without requiring arbitration by the Commission. To the extent there are unresolved issues, the Commission should adopt Sprint's positions. Adoption of Sprint's positions will achieve the requirements of the Act; will promote efficient and effective local competition; and will bring the benefits of competition to the broadest number of consumers as quickly as possible.

D-G. ISSUES AND POSITIONS:

ISSUE 1: At what points should MCI be permitted to interconnect with Sprint and what are the appropriate trunking arrangements between MCI and Sprint for local interconnection?

Position: MCI will be allowed to interconnect with Sprint at any technically feasible point. Sprint, however, should only be required to construct fifty (50) percent of the facilities or to its exchange boundary, whichever is less. MCI should be responsible for constructing fifty (50) percent of the facilities or to Sprint's exchange boundary, whichever is greater. This recognizes that Sprint has no control over where MCI places its switch and Sprint should be responsible only for facilities to its exchange boundary.

ISSUE 2: What should be the compensation mechanism for the exchange of local traffic between MCI and Sprint?

Position: Call termination compensation should be reciprocal and symmetrical where both MCI and Sprint provide the same or equivalent call termination functionality. More specifically, if MCI interconnects at the Sprint tandem and MCI does not provide the equivalent tandem switching and transport functions, Sprint should not be required to pay MCI the tandem switching and transport rate elements.

UNBUNDLED NETWORK ELEMENTS

ISSUE 3a: Are the following items considered to be network elements, capabilities or functions? If so, is it technically feasible for Sprint to provide MCI with these elements?

**Network Interface Device
Unbundled Loop
Loop Distribution
Local Switching
Operator Systems (DA Service/911 Service)
Multiplexing/Digital Cross-Connect
Dedicated Transport
Common Transport
Tandem Switching
Signaling Link Transport
Signal Transfer Points
Service Control Points/Databases**

Position: Yes. Sprint will provide MCI with the minimum list of unbundled network elements contained in the FCC's Rules, Section 51.319. Until Sprint has a bona fide request providing more specific information on where and how loop distribution will be unbundled and provided to MCI, Sprint is uncertain as to whether provision of loop distribution (sub-

loop unbundling) is technically feasible, and if feasible, what the appropriate price would be.

ISSUE 3b: What is the appropriate cost methodology for setting the price of each of the items considered to be network elements, capabilities, or functions?

Position: In general, the Commission should employ the TELRIC standard, notwithstanding the Court's stay, with an allowance for the recovery of a portion of Sprint's common costs. The prices for geographically deaveraged unbundled loops should be based on Census Block Group cost developed in the Benchmark Cost Model, version 2 ("BCM-2"), plus a common cost allocation. The Hatfield model is flawed and should not be used.

ISSUE 3c: What should be the price of each of the items considered to be network elements, capabilities, or functions?

Position: The price of each unbundled element should be based on the TELRIC of each element plus a contribution to common costs. The Commission should adopt the prices set forth in Exhibit MRH-6.

ISSUE 3d: What should be the process for identifying and requesting additional unbundled network elements?

Position: Requests for further unbundling should be handled pursuant to a bona fide request from MCI to Sprint. Sprint's proposed bona fide request process, including time frames, is

set forth in Exhibit MRH-5, and should be the process approved by the Commission.

ISSUE 4: What intrastate access charges, if any, should be collected on a transitional basis from carriers who purchase Sprint's unbundled local switching element? How long should any transitional period last?

Position: Sprint should bill the carrier common line charge and transport interconnection charge (TIC) to MCI if MCI purchases unbundled local switching. Application of such charges are appropriate until such time as the Commission and/or FCC eliminates these charges via an access reform proceeding, rate rebalancing and/or universal service proceeding.

ISSUE 5: Do the provisions of Sections 251 and 252 apply to access to dark fiber? If so, what are the appropriate rates, terms, and conditions?

Position: No. Dim or dark fiber - meaning fiber without electronics - is not used by Sprint "in the provision of a telecommunications service" within the meaning of the Act. Thus, dark fiber is not an unbundled element under Section 251 of the Act. See Sprint's pending Motion to Dismiss.

ISSUE 6: Should MCI be allowed to combine unbundled network elements in any manner it chooses, including recreating existing Sprint services?

Position: Yes. Unbundled elements generally must be combined with other elements to be functional. Additionally, the FCC

Rules in Section 51.315 allows for such combination of unbundled elements.

RESALE

ISSUE 7: What services provided by Sprint, if any, should be excluded from resale?

Position: Voice mail, inside wire maintenance, and calling card services are not telecommunications services under the Act and thus are not required to be offered by Sprint for resale. Sprint will allow the resale of promotional offerings in effect for more than 90 days at a wholesale rate and the resale of promotional offerings of less than 90 days at retail rates. Sprint believes it is appropriate to exclude the resale of Lifeline and Link-up. MCI should be required to certify their own customers eligible for these services and secure the appropriate funding from the appropriate state and federal agencies. To require Sprint to perform these administrative functions simply adds costs to Sprint's operations that would be incurred on behalf of MCI's customers.

ISSUE 8: Should Sprint be prohibited from imposing restrictions on the resale of Sprint services?

Position: Except as discussed in Issue 7, all retail telecommunications services offered by Sprint will be made available for resale.

ISSUE 9: What is the appropriate methodology to determine the avoided cost amounts to be applied to Sprint's retail rates when MCI purchases such services for resale?

Position: First, Sprint's expenses, at seven-digit subaccount level, should be reviewed to determine whether they are avoided or non-avoided in a wholesale environment. Second, an activity-based study methodology should be used to identify the appropriate levels of avoided expenses associated with each account. The revenues for the various services and the net avoided expenses are categorized into retail service groups. Third, the net avoided cost for the retail service group should be divided by the total revenues for the service group to develop the percent discount applicable to the rates of the individual services included in each retail service group. Exhibit RGF-1, the user guide, provides a more detailed explanation of this avoided cost study methodology.

ISSUE 10: Should Sprint be required to provide notice to its wholesale customers of changes to Sprint's services? If so, in what manner and in what time frame?

Position: As required by the Act, Sprint will cooperatively work with MCI to provide advance notification of information on service changes that might impact MCI consistent with the same notice procedures afforded to itself.

CALL ROUTING AND BRANDING

ISSUE 11: When MCI resells Sprint's services, is it technically feasible or otherwise appropriate for Sprint to brand operator services and directory services calls that are initiated from those resold services?

Position: Sprint will brand its operator and directory assistance services as MCI at the cost of providing the services when technically feasible to provision MCI's branding request. Sprint will brand on a first come, first served basis, and when and if Sprint is unable to brand for a CLECs, Sprint will provide an unbranded option for any other CLECs.

ISSUE 11b: When Sprint's employees or agents interact with MCI's customers with respect to a service provided by Sprint on behalf of MCI, what type of branding requirements are technically feasible or otherwise appropriate?

Position: Sprint will provide installation, maintenance, repair and related documents on an unbranded basis for MCI.

ISSUE 12: When MCI resells Sprint's local exchange service, or purchases unbundled local switching, is it technically feasible or otherwise appropriate to 1) route 0+ and 0- calls to an operator other than Sprint's, 2) to route 411 and 555-1212 directory assistance calls to an operator other than Sprint's, or 3) to route 611 repair calls to a repair center other than Sprint's?

Position: Sprint believes that it is technically feasible to route such calls subject to capacity limitations within Sprint's network. Sprint further believes that MCI's request should come in the form of a bona fide request which will allow Sprint to make a determination of capacity constraint. Sprint will use its best efforts to provide requested routing to MCI.

OPERATIONS SUPPORT SYSTEMS

ISSUE 13: Should Sprint be required to provide real-time and interactive access via electronic interfaces as requested by MCI to perform the following:

**Pre-Service Ordering
Service Trouble Reporting
Service Order Processing and Provisioning
Customer Usage Data Transfer
Local Account Maintenance**

If the process requires the development of additional capabilities, in what time frame should they be deployed? What are the costs involved, and how should these costs be recovered?

Position: While Sprint agrees conceptually that such access is needed for MCI to compete, existing operating support systems are not designed to allow third party access at this time. Sprint believes that industry standards should be developed to maximize efficiencies and that Sprint should have 12 months after development of industry standards to implement operational interfaces. Should MCI require interim interfaces, Sprint is willing to work with MCI on the development of such interfaces. The costs of such development should be recovered from MCI, provided the interfaces are developed solely for MCI, or if developed as interim solutions for the industry, should be recovered in a competitively neutral manner from all carriers deriving a benefit.

ISSUE 14: What type of customer authorization is required for access to customer account information and transfer of existing services?

Position: Sprint believes that this issue has been resolved. Sprint is willing to accept a blanket letter of authorization from MCI.

ISSUE 15: What billing data format should be used to render bills to MCI for services and elements purchased from Sprint?

Position: Sprint has agreed to work towards providing billing to MCI in the requested format. Until functional and contractual requirements are fully defined and necessary billing system and network software modifications are implemented, an interim arrangement is required by Sprint. In this interim period, Sprint will provide MCI billing in a industry standard EDI format from its Customer Record and Billing (CRB) system. Sprint expects that the transition to the CABS format will be completed early in the third quarter of 1997.

ISSUE 16: Where MCI resells a Sprint service, should Sprint be required to provide MCI with the billing information necessary for MCI to bill its customers for collect and third-party calls?

Position: Yes, Sprint believes that this issue has been resolved.

[MCI TO FOLLOW-UP AND CLARIFY EXACTLY WHAT ISSUES (if any) REMAIN WITH RESPECT TO BILLING INFORMATION]

ISSUE 17: What are the appropriate rates, terms and conditions, if any, for rating information services traffic between MCI and Sprint?

Position: Sprint does not believe that it is Sprint's responsibility to act as MCI's intermediary with information services providers. MCI is capable of entering into agreements with information services that will allow MCI's customers to use and pay for information services.

[MCI TO FOLLOW-UP AND CLARIFY EXACTLY WHAT ISSUES (if any) REMAIN WITH RESPECT TO INFORMATION SERVICES TRAFFIC]

DIRECTORIES AND DIRECTORY LISTINGS

ISSUE 18: Should Sprint be required to allow MCI to have an appearance (e.g. logo or name) on the cover of the white and yellow page directories?

Position: Sprint has no control over MCI's ability to obtain customized covers for MCI's customers. This is an issue that MCI must address with the directory publishers.

ISSUE 19: What are the appropriate arrangements to provide MCI with nondiscriminatory access to white and yellow page directory listings?

Position: Sprint believes that this issue has been resolved.

NUMBER PORTABILITY

ISSUE 20: What should be the cost recovery mechanism for remote call forwarding (RCF) used to provide interim local number portability in light of the FCC's recent order?

Position: The Commission has opened Docket No. 950737-TP to address number portability issues. Sprint agrees that the

Commission's findings in that proceeding should determine the price that ILECs and CLECs should pay for interim local number portability.

COLLOCATION

ISSUE 21: Should Sprint be prohibited from placing any limitations on the interconnection between two carriers collocated on Sprint's premises, or on the types of equipment that can be collocated, and or on the types of users and availability of the collocated space?

Position: Yes. Sprint will allow MCI to connect Sprint provided services and unbundled elements to MCI's facilities at an MCI collocation point and to any other party as provided in paragraph 595 of the FCC Order. However, collocation of remote digital line units is not required pursuant to the FCC Rules, Section 51.323, which states that, "Nothing in this section requires an incumbent LEC to permit collocation of switching equipment or equipment used to provide enhanced services."

ISSUE 22: What are the appropriate rates, terms and conditions for collocation (both physical and virtual)?

Position: The Commission should approve the rates, terms and conditions in Sprint's Expanded Interconnection tariff that was filed with the Commission on October 25, 1996

POLES, CONDUITS, RIGHTS-OF-WAY

ISSUE 23: What capacity, engineering and related information should be provided by Sprint regarding its poles, ducts, conduits, and rights-of-way? What compensation, if any, is appropriate?

Position: Sprint will provide equal and nondiscriminatory access to rights of way (ROW) on terms and condition equal to that provided to itself or any other party. Further, Sprint will not preclude or delay allocation of ROW to MCI because of the potential need for itself or of other parties, except as a maintenance spare, which may be retained for Sprint facilities deployment within six (6) months of the date of MCI's formal request. However, if Sprint allows MCI to use ROW that is currently planned to be used for Sprint facilities deployment within a three year engineering window of the date of MCI's request for the ROW; and subsequently Sprint must deploy facilities requiring the ROW within the three year engineering window; Sprint reserves the right to charge MCI for any facility upgrade needed to expand the capacity for Sprint's originally planned needs and allow MCI to retain its use of the ROW.

MISCELLANEOUS ISSUES

ISSUE 24: What are the appropriate rates, terms and conditions related to termination of 611 traffic?

Position: Sprint believes that this issue has been resolved.

[THIS WAS FORMERLY A DIALING PARITY ISSUE -- 611 WAS THE ONLY THING WE COULD IDENTIFY THAT WAS STILL AN ISSUE AND WAS NOT COVERED IN THE SELECTIVE CALL ROUTING ISSUE

ABOVE. WE NEED TO IDENTIFY IF THERE ARE ANY OTHER DIALING PARITY ISSUES STILL OPEN.]

ISSUE 25: What are the appropriate general contractual terms and conditions that should govern the arbitration agreement (e.g. resolution of disputes, performance requirements, and treatment of confidential information)?

Position: (Legal) The Commission should not decide the general terms and conditions that should govern an arbitration agreement. If it chooses to do so, the Commission should adopt the general terms and conditions contained in Sprint's model agreement.

ISSUE 26: What are the appropriate contractual provisions for liability and indemnification for failure to meet the requirements contained in the arbitrated agreement?

Position: (Legal) The Commission should not decide the general terms and conditions that should govern an arbitration agreement. If it chooses to do so, the Commission should adopt the terms and conditions contained in Sprint's model agreement. In no event, however, should the Commission approve any requirement for liability or indemnification which is inconsistent with the Commission's authority to impose damages. See Sprint's Motion to Dismiss.

ISSUE 27: What are the appropriate standards, if any, for performance metrics, service restoration, and quality assurance related to services provided by Sprint for resale and for network elements provided to MCI by Sprint? How should compliance with such standards be monitored and enforced?

Position: (Legal) Sprint acknowledges its obligation to provide the same high level of service that its customers,

including MCI, receive today to those CLECs who purchase unbundled features and resell its services. However, this Commission and MCI should understand that providing the same level of service, where additional work activities are necessary to provide a service to MCI's customer, may not always be possible. Compliance should be monitored and enforced on a case-by-case basis through the Commission's complaint process.

PROCEDURAL ISSUES

ISSUE 28: Should the agreement be approved pursuant to the Telecommunications Act of 1996?

Position: (Legal) Any interconnection agreement adopted by negotiation or arbitration must be submitted to the Florida Public Service Commission for approval.

ISSUE 29: What are the appropriate post-hearing procedures for submission and approval of the final arbitrated agreement?


Position: (Legal) No position at this time.

H. **STIPULATIONS:** Sprint is not aware of any pending stipulations at this time.

I. **PENDING MOTIONS:** Sprint has pending its Motion to Dismiss.

J. **COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE:** Sprint does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

Dated this 6th day of December, 1996.



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ATTORNEYS FOR CENTRAL TELEPHONE
COMPANY OF FLORIDA AND UNITED
TELEPHONE COMPANY OF FLORIDA

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail, hand delivery (*) or overnight express (**) this 6th day of December, 1996, to the following:

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