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April 7, 1997

Ms. Blanca S. Bayó
Director, Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket 961230-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. (collectively, "MCI") are the original and 15 copies of MCI's Response to Sprint's Motion for Reconsideration and Sprint's Motion for Stay.

By copy of this letter, this document has been furnished to the parties on the attached service list.

Very truly yours,

Richard D. Melson

RDM/cc
Enclosures
cc: Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by MCI Telecommunications Corporation for arbitration with United Telephone Company of Florida and Central Telephone Company of Florida concerning interconnection rates, terms, and conditions, pursuant to the Federal Telecommunications Act of 1996.	)	Docket No. 961230-TP
	)	Filed: April 7, 1997

MCI'S RESPONSE TO SPRINT'S MOTION FOR RECONSIDERATION AND SPRINT'S MOTION FOR STAY

MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. (collectively, MCI), hereby file their response in opposition to the Motion for Reconsideration and/or Clarification and the Motion for Stay of a Portion of the Commission's Order on Petition for Arbitration filed by Sprint-Florida, Inc. (Sprint). As grounds for its opposition, MCI states:

Standard of Review

The purpose of a motion for reconsideration is to bring to the attention of the tribunal some point of fact or law which it overlooked or failed to consider when it rendered its decision. Diamond Cab Co. of Miami v. King, 146 So. 2d 889 (Fla. 1962); Pingree v. Quaintance, 394 So. 2d 161 (Fla. 1st DCA 1981). As the court in State v. Green, 106 So. 2d 817, 818 (Fla. 1st DCA 1958) said with reference to petitions for rehearing:

> The sole and only purpose of a petition for rehearing is to call to the attention of the court some fact, precedent, or rule of law

> which the court has overlooked in rendering its decision. . . .
>
> It is not a compliment to the intelligence, the competence or the industry of the court for it to be told in each case which it decides that it has "overlooked and failed to consider" from three to twenty matters which, had they been given proper weight, would have necessitated a different decision.

When measured against these standards, Sprint's Motion for Reconsideration (Motion) must be denied. Sprint has failed to show that there are any matters of record or points of law that the Commission overlooked or failed to consider in rendering its Order. Instead, Sprint's Motion reargues matters that were covered (or could have been covered) in its post-hearing brief and offers "alternatives" to the Commission's decisions in the form of post-hearing constructs that find no basis in the record.

Voice Mail

Sprint provides no proper basis for the Commission to reconsider its decision that voice mail meets the definition of "telecommunications" and "telecommunications service" under the Telecommunications Act of 1996 (the Act). Instead, Sprint improperly reasserts its position, previously asserted at hearing and in Issue 7 of its Posthearing Statement, that voice mail is an "enhanced service" and not "telecommunications" or a "telecommunications service."

Contrary to Sprint's assertion, nothing in Section 260 of the Act suggests that voice mail is anything other than a "telecommunications service," that is, "the offering of

telecommunications for a fee directly to the public. . . ." "Telecommunications," in turn, is "the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received." 47 U.S.C. 153(48). Since voice mail is information of the sender's choosing which is transmitted between or among points specified by the user without change in form or content of the information as sent or received, it fits squarely within the definition of "telecommunications service." Section 260 does not alter or override the Act's operative definitions of "telecommunications services" or "telecommunications," nor does it obviate those definitions' application to voice mail. Instead, Section 260 simply specifies nondiscrimination safeguards which protect other providers of telemessaging services from potential anti-competitive behavior of incumbent interexchange carriers.

In summary, since Sprint has provided no point of fact or law which the Commission overlooked or failed to consider when rendering its decision relating to voice mail, Sprint has stated no basis on which the Commission can properly reconsider that portion of its Order.

TSLRIC vs. TELRIC

Again, Sprint offers no point of fact or law which the Commission overlooked or failed to consider previously. Sprint simply reargues its position that TELRIC, rather than TSLRIC,

should be used by the Commission in establishing the costs for interconnection and unbundled network elements.

While MCI believes, as does Sprint, that TELRIC is the appropriate pricing standard, the Commission chose to adopt the TSLRIC methodology and Sprint raises no point of fact or law which would require the Commission to reconsider this choice.

MCI agrees with Sprint, however, that the record supports the use of deaveraged prices for unbundled local loops. Such deaveraging is clearly required by the Act since non-deaveraged rates are not based on cost. See § 252(d)(1)(A)(i). Moreover, there is no record support for imposing, even on an interim basis, an averaged unbundled loop rate. While the Commission rejected the cost studies submitted by both Sprint and MCI, there is sufficient information in those studies to set a relationship between the prices for loops in different density zones. Using that relationship, the PSC should take its single price and construct deaveraged interim prices, pending Sprint's submittal of the required TSLRIC studies.

MCI opposes Sprint's request for additional time to submit its TSLRIC studies. Sprint should be required to promptly submit the required cost studies so that MCI will not be exposed indefinitely to paying inappropriate, excess charges for any functions.

Common Costs

Sprint offers no proper basis for reconsideration of the Commission's decision regarding common costs. Instead, Sprint

once again simply asks the Commission to increase the costs of its unbundled elements by 14.58%, just as it requested at the hearing and in its Posthearing Statement.

As established at hearing, the common cost factor advanced by Sprint is overstated. The 14.58% requested by Sprint reflects primarily the overhead accounts, costs which are really common costs to the firm for which there is no basis to be allocated to a specific element. (Farrar, T. 540)

Rather than impose the overstated common costs factor requested by Sprint, the Commission determined that an appropriate and reasonable recovery of common costs is covered by the Annual Charge Factor. Sprint has shown no point of fact or law which the Commission overlooked or failed to consider when it made this determination. Accordingly, there is no proper basis for reconsideration on this point. See Diamond Cab Co., supra.

Call Termination Study Techniques

Sprint requests reconsideration of the Commission's requirement that Sprint provide cost studies for local call termination which address every end office for which Sprint did not already provide such studies. MCI agrees that a cost study for the universe of Sprint's existing switches is not appropriate. Instead, the proper cost study should identify the mix of switches which represents the most forward-looking, least cost technology. A model, such as the Hatfield Model, should then be used to project the forward-looking cost base. Such a study should not include any switch, including Sprint's

antiquated DSS 1210 switches, if they do not represent the forward-looking, least cost technology.

Switching Features

Sprint asks the Commission to reconsider its determination that the vertical features of a switch are to be included in the price for unbundled local switching. The Commission properly determined that the Act requires the unbundled switching rate to include the vertical features of the switch. (See Order at p. 22.) This conclusion is consistent with that of the Federal Communications Commission (FCC). In its First Order and Report, the FCC defined the local switching element "to encompass line-side and trunk-side facilities plus the features, functions, and capabilities of the switch." (FCC First Report and Order, August 8, 1996, ¶ 412.) As noted by the FCC:

> The 1996 Act defines network element as "a facility or equipment used in the provision of a telecommunications service" and "the features, functions, and capabilities that are provided by means of such facility or equipment." Vertical switching features, such as call waiting, are provided through the hardware and software comprising the "facility" that is the switch, and thus are "features" and "functions" of the switch. . . . Therefore, we find that vertical switching features are part of the unbundled local switching element.

(Id. at ¶ 413.)

Sprint also requests the Commission to allow it to submit a new, increased unbundled switching rate to reflect the Commission's inclusion of vertical features in the unbundled switching rate. The Commission was well aware that Sprint had suggested an additional 22% of retail rates be added on to the unbundled switching rate to cover vertical features. (See Order

at p. 22.) The Commission rejected that proposal. Sprint has not shown any point of fact or law which the Commission overlooked or failed to consider in establishing the unbundled switching rate. Accordingly, there is no proper basis for reconsideration on this point. See Diamond Cab Co., supra.

Motion for Stay

MCI opposes Sprint's request for a stay of the requirement that the parties submit their interconnection agreement within 30 days following the March 14, 1997 issuance of the Commission's Order on Arbitration. Such a stay would unnecessarily delay MCI's entry into the local exchange market.

By allowing the parties to continue finalization of the agreement consistent with the Commission's Order, in parallel with the Commission's consideration of Sprint's motion for reconsideration, the Act's intention of providing competition in an expedited fashion would be better served. In fact, Sprint's pending motion has presented no impediment to the parties' ongoing negotiations to finalize their interconnection agreement. Should the Commission alter any of its decisions as a result of Sprint's motion for reconsideration, the parties could simply modify their interconnection agreement accordingly.

Moreover, the Sprint-MCI interim agreement is very narrow scope. A comprehensive interconnection agreement is needed for MCI to fully utilize its existing Orlando switch to implement its local entry plans. Consequently, it is critical that approval of

the parties' interconnection agreement occur as expeditiously as possible.

WHEREFORE, MCI respectfully urges the Commission to deny Sprint's Motion for Reconsideration and/or Clarification and Sprint's Motion for Stay of a Portion of the Commission's Order on Petition for Arbitration, except as to the deaveraging of unbundled local loop costs and the use of forward-looking, least cost technology in modeling the appropriate local call termination rates.

RESPECTFULLY SUBMITTED this 7th day of April, 1997.

HOPPING GREEN SAMS & SMITH, P.A.

By: _____
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and

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ATTORNEYS FOR MCI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by hand delivery or by UPS Overnight Delivery (*) this 7th day of April, 1997.

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