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

Re: Docket No. 960786-TL

Dear Ms. Bayó:

On behalf of MCI Telecommunications Corporation (MCI) enclosed for filing in the above docket are the original and 15 copies of MCI's Prehearing Statement, together with our WordPerfect 5.1 diskette.

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

Very truly yours,

Richard D. Melson

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth)
 Telecommunications, Inc.'s entry) Docket No. 960786-TL
 into InterLATA services pursuant)
 to Section 271 of the Federal) Filed: August 5, 1997
 Telecommunications Act of 1996)
 _____)

MCI'S PREHEARING STATEMENT

MCI Telecommunications Corporation (MCI) hereby files its prehearing statement in accordance with the requirements of Order Nos. PSC-96-0945-PCO-TL and PSC-97-0792-PCO-TL.

A. Known Witnesses. MCI has prefiled the testimony of the following witnesses:

<u>Witness</u>	<u>Testimony</u>	<u>Issues</u>
James S. Gulino	Direct	2-15
Ronald Martinez	Direct	3, 15
Don J. Wood (joint with AT&T)	Direct	1, 3
Joe Gillan (joint with FCCA, AT&T, and Worldcom)	Direct	1, 3
Ronald Martinez	Rebuttal	1, 2, 3, 4, 6, 7, 11, 12, 13, 15
David Kaserman (joint with AT&T)	Rebuttal	1
Joe Gillan (joint with FCCA, AT&T, and Worldcom)	Rebuttal	1, 3

B. Known Exhibits. MCI has prefiled the following exhibits. MCI reserves the right to use additional exhibits for purposes of cross-examination.

<u>Witness</u>	<u>Exhibit</u>	<u>Description</u>
James Gulino	JSG-1	1/29/97 BS correspondence regarding blocked traffic
Don J. Wood	DJW-1	Resume
David Kaserman (joint with AT&T)	DLK-1	Vita
	DLK-2	CommLaw Conspectus Article
	DLK-3	Number of Long Distance Firms Over Time
	DLK-4	Fiber Capacity Chart
	DLK-5	Output Growth of AT&T's Competitors
	DLK-6	AT&T's Market Share Over Time
Joe Gillan (joint with FCCA, AT&T, and Worldcom)	JPG-1	Road-Map to Competition

C. Basic Position. BellSouth intends to file an application with the Federal Communications Commission (FCC) for interLATA authority in Florida under Section 271 of the Telecommunications Act of 1996 (Act). Under Section 271(d)(2) of the Act, this Commission must consult with the FCC regarding BellSouth's compliance with the requirements of Section 271(c).

In this role, the Commission should provide its findings and conclusions to the FCC on three categories of issues:

(1) Under which of the two mutually exclusive provisions of Section 271(c) is BellSouth eligible to seek interLATA authority -- Track A, which is triggered once BellSouth has received a "qualifying request" for access and interconnection from a potential provider of exchange service, or Track B, which is available only if BellSouth has received no such request, or if all requestors have negotiated in bad faith or have failed to implement their interconnection agreements in accordance with an agreed implementation schedule?

BellSouth has received multiple requests for access and interconnection from potential facilities-based providers of telephone exchange service to business and residential exchange subscribers, and in fact has entered Commission-approved interconnection agreements with a number of such providers. BellSouth has made no allegation that any of these providers, much less all of them, have failed to negotiate in good faith or have failed to implement their agreements in accordance with any applicable implementation schedule. Therefore, BellSouth is no longer eligible to proceed under Track B, and can seek interLATA authority only under Track A.

Because BellSouth is not eligible to seek interLATA authority under Track B, the Commission need not consider BellSouth's proposed statement of generally available terms (SGAT) in this proceeding. If the Commission does consider the SGAT, it should find that the SGAT does not comply with Sections 251 and 252(d), and that the access and interconnection offered

by the SGAT does not comply with the requirements of the fourteen point checklist.

(2) Is BellSouth in fact providing access and interconnection pursuant to approved interconnection agreements to one or more companies that are providing telephone exchange service to residential and business subscribers either exclusively or predominantly over their own facilities?

No, BellSouth is not providing access and interconnection to any unaffiliated competing provider of residential telephone exchange service. Therefore, BellSouth does not meet the requirements of Section 271(c)(1)(A) and does not qualify for interLATA authority in Florida at this time.

(3) Assuming that BellSouth is providing access and interconnection to competing facilities-based providers of both business and residential telephone exchange service, has BellSouth fully implemented the provisions of the 14-item competitive checklist in Section 271(c)(2)(B)?

No, BellSouth has not fully implemented the competitive checklist. Among other things, BellSouth is not providing commercially significant quantities of a number of key unbundled network elements (including unbundled loops and unbundled switching); BellSouth has not implemented operational support systems (OSS) that are capable of supporting the ordering and provisioning of unbundled network elements and resold services at a parity with BellSouth's own OSS; and BellSouth has not implemented performance standards and performance measurement

systems necessary to establish whether it is providing elements and services to competitors at parity. Therefore BellSouth does not meet the requirements of Section 271(c)(2)(A)(ii) or (c)(2)(B), and does not qualify for interLATA authority in Florida at this time.

D-F. Issues. MCI's position on the issues that have been identified in the Order Establishing Procedure are as follows:

Issue 1.A. Has BellSouth met the requirements of section 271(c)(1)(A) of the Telecommunications Act of 1996?

MCI: No.

- (a) Has BellSouth entered into one or more binding agreements approved under Section 252 with unaffiliated competing providers of telephone exchange service?

MCI: Yes. BellSouth has entered into an agreement approved under Section 252 with MCI, which plans to offer both business and residential service either exclusively or predominantly over its own facilities.

- (b) Is BellSouth providing access and interconnection to its network facilities for the network facilities of such competing providers?

MCI: BellSouth is providing interconnection to MCI, but not through the physical collocations that MCI has requested. BellSouth is providing MCI with only a small number of resold services, and only one unbundled loop, all for test customers.

- (c) Are such competing providers providing telephone exchange service to residential and business customers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities?

MCI: No.

Issue 1.B. Has BellSouth met the requirements of section 271(c)(1)(B) of the Telecommunications Act of 1996?

MCI: No. As a result of requests for access and interconnection from potential providers of facilities-based business and residential service, BellSouth is ineligible to proceed under Track B at this time.

(a) Has an unaffiliated competing provider of telephone exchange service requested access and interconnection with BellSouth?

MCI: Yes, MCI has requested such access and interconnection.

(b) Has a statement of terms and conditions that BellSouth generally offers to provide access and interconnection been approved or permitted to take effect under Section 252(f)?

MCI: No. BellSouth has not yet filed a statement of generally available terms and conditions (SGAT) with the Commission, though it submitted a "draft SGAT" with its testimony in this case. In any event, the approval of a BellSouth SGAT is not relevant to its ability to seek interLATA authority where, as here, BellSouth has received qualifying requests for access and interconnection from potential providers of facilities-based business and residential telephone exchange service.

Issue 1.C. Can BellSouth meet the requirements of section 271(c)(1) through a combination of track A (Section 271(c)(1)(A)) and track B (Section 271(c)(1)(B))? If so, has BellSouth met all of the requirements of those sections?

MCI: No. Tracks A and B are mutually exclusive.

Issue 2. Has BellSouth provided interconnection in accordance with the requirements of sections 251(c)(2) and 252(d)(1) of the Telecommunications Act of 1996,

pursuant to 271(c)(2)(B)(i) and applicable rules promulgated by the FCC?

MCI: No. Among other things, BellSouth has not yet implemented any of the numerous pending requests it has received for physical collocation; the terms and conditions for collocation arrangements are not nondiscriminatory; and BellSouth will not provide interconnection at local tandems. In addition, it is unclear whether BellSouth will provide the interconnection required to terminate calls to the customers of independent telephone companies where a single local calling area is served in part by BellSouth and in part by an independent company.

Issue 3. Has BellSouth provided nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1) of the Telecommunications Act of 1996, pursuant to 271(c)(2)(B)(ii) and applicable rules promulgated by the FCC?

MCI: No. BellSouth's operations support systems do not provide competing carriers with nondiscriminatory access to the preordering, ordering, provisioning, maintenance and repair, and billing functionalities for unbundled network elements. Such systems are not equal in quality to the systems that BellSouth employs for its own retail customers. Even these inferior systems have not been shown to be capable of handling commercially significant quantities of transactions. In addition, there are a number of UNEs (and combinations of UNEs) for which cost-based prices have not been established. Further, the prices established by the Commission for other UNEs do not meet the cost-based standard of the Act; for example, unbundled loop rates are not cost-based because of BellSouth's failure to appropriately deaverage loop prices. Finally, BellSouth has refused to provide AT&T with combinations of UNEs even at the sum of the prices established by the Commission for the individual UNEs.

(a) Has BellSouth developed performance standards and measurements? If so, are they being met?

MCI: Some BellSouth interconnection agreements include selected performance standards and measurements. However, BellSouth has not provided sufficient information on its own internal performance to enable the parties or the Commission to establish standards that would ensure parity between BellSouth and its competitors. Also, even the rudimentary performance

standards which have been established for such things as installation intervals are not being met.

Issue 4. Has BellSouth provided nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by BellSouth at just and reasonable rates in accordance with the requirements of section 224 of the Communications Act of 1934 as amended by the Telecommunications Act of 1996, pursuant to 271(c)(2)(B)(iii) and applicable rules promulgated by the FCC?

MCI: No.

Issue 5. Has BellSouth unbundled the local loop transmission between the central office and the customer's premises from local switching or other services, pursuant to section 271(c)(2)(B)(iv) and applicable rules promulgated by the FCC?

MCI: No. BellSouth has not fully implemented the provisioning of unbundled loops. BellSouth's OSS do not support unbundled local loops for competitors on a parity with BellSouth. Limited experience to date shows that BellSouth is not provisioning local loops to competitors in a time frame that is at parity with itself.

Issue 6. Has BellSouth unbundled the local transport on the trunk side of a wireline local exchange carrier switch from switching or other services, pursuant to section 271(c)(2)(B)(v) and applicable rules promulgated by the FCC?

MCI: No. BellSouth has not fully implemented the provisioning of unbundled local transport. BellSouth's OSS do not support unbundled local transport for competitors on a parity with BellSouth. BellSouth does not offer the trunk ports and tandem ports which are needed to fully unbundle local transport from local switching. BellSouth also does not permit interLATA, intraLATA and local traffic to be combined on multi-jurisdictional trunks.

Issue 7. Has BellSouth provided unbundled local switching from transport, local loop transmission, or other services, pursuant to section 271(c)(2)(B)(vi) and applicable rules promulgated by the FCC?

MCI: No. BellSouth is not actually providing unbundled local switching and BellSouth's OSS do not support unbundled local switching for competitors on a parity with BellSouth.

Issue 8. Has BellSouth provided nondiscriminatory access to the following, pursuant to section 271(c)(2)(B)(vii) and applicable rules promulgated by the FCC:

(a) 911 and E911 services;

MCI: BellSouth has provided access to 911 and E911 services. To date, such access appears to be provided on a nondiscriminatory basis.

(b) directory assistance services to allow the other telecommunications carrier's customers to obtain telephone numbers; and,

MCI: No. BellSouth does not provide access to directory service listings in its database for independent telephone companies and other ALECs. This requires an MCI customer to either be transferred to a BellSouth DA position, or dial a special code to bypass MCI and reach that position, in order to obtain telephone numbers of users served by these companies.

(c) operator call completion services?

MCI: BellSouth has provided access to operator call completion services. To date, such access appears to be provided on a nondiscriminatory basis.

Issue 9. Has BellSouth provided white pages directory listings for customers of other telecommunications carrier's telephone exchange service, pursuant to section 271(c)(2)(B)(viii) and applicable rules promulgated by the FCC?

MCI: Through its agreement with BAPCO, MCI has been provided with white page listings in BellSouth directories; however, MCI has experienced problems with such listings.

Issue 10. Has BellSouth provided nondiscriminatory access to telephone numbers for assignment to the other telecommunications carrier's telephone exchange service customers, pursuant to section 271(c)(2)(B)(ix) and applicable rules promulgated by the FCC?

MCI: No. In situations where an ALEC does not have an NXX code, BellSouth imposes significant restrictions on an ALEC's ability to assign telephone numbers. For example, an ALEC is permitted to assign a maximum of six telephone numbers per customer and, unlike BellSouth, does not receive real-time verification of the number assignment. This places an ALEC at a competitive disadvantage because (unlike BellSouth) its customers cannot begin publicizing their telephone numbers for several days after an order for service has been placed. In addition, ALECs do not have access to the ATLAS database used by BellSouth to manage available vanity numbers and the selection of such numbers, though LENS, is a cumbersome process.

Issue 11. Has BellSouth provided nondiscriminatory access to databases and associated signaling necessary for call routing and completion, pursuant to section 271(c)(2)(B)(x) and applicable rules promulgated by the FCC?

MCI: No. BellSouth is not providing nondiscriminatory access to its advanced intelligent network (AIN) database nor to its service creation environment (SCE)/service management system (SMS). Further, BellSouth is not permitting nondiscriminatory access to its Toll Free Database for the purpose of obtaining the routing information needed for an SS7-capable carrier to complete 800/888 calls.

Issue 12. Has BellSouth provided number portability pursuant to section 271(c)(2)(B)(xi) and applicable rules promulgated by the FCC?

MCI: No. While BellSouth is providing interim number portability via remote call forwarding, it does not have procedures and practices in place to ensure that the cut-over of a customer takes place without an interruption of service.

Issue 13. Has BellSouth provided nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of section 251(b)(3) of the Telecommunications Act of 1996, pursuant to section 271(c)(2)(B)(xii) and applicable rules promulgated by the FCC?

MCI: No. In one instance, BellSouth failed to activate MCI's NXX codes in the Orlando area in a timely manner, thereby precluding MCI customers from reaching BellSouth customers for a period of six days. In addition, because BellSouth does not permit ALECs to obtain directory assistance listing information for independent company customers in BellSouth's database, an ALEC customer must dial additional digits to obtain DA for these numbers.

Issue 14. Has BellSouth provided reciprocal compensation arrangements in accordance with the requirements of section 252(d)(2) of the Telecommunications Act of 1996, pursuant to section 271(c)(2)(B)(xiii) and applicable rules promulgated by the FCC?

MCI: No. BellSouth does not provide reciprocal compensation in the case in which an ALEC uses an end office switch to complete calls throughout a geographic area that, in BellSouth's network, would be served by a tandem switch.

Issue 15. Has BellSouth provided telecommunications services available for resale in accordance with the requirements of sections 251(c)(4) and 252(d)(3) of the Telecommunications Act of 1996, pursuant to section 271(c)(2)(B)(xiv) and applicable rules promulgated by the FCC?

MCI: No. BellSouth's operations support systems do not provide competing carriers with nondiscriminatory access to the preordering, ordering, provisioning, maintenance and repair, and billing functionalities for resold services. Such systems are not equal in quality to the systems that BellSouth employs for its own retail customers. For example, BellSouth has no mechanism in place, other than manual, for resale of complex business services, or business services involving more than six lines. Even the inferior systems which are in place for some services have not been shown to be capable of handling commercially significant quantities of transactions. In addition, BellSouth has refused to provide voice mail service for

resale on an unbranded basis, despite the fact that such resale is required by the MCI/BellSouth Interconnection Agreement.

- (a) Has BellSouth developed performance standards and measurements? If so, are they being met?

MCI: Some BellSouth interconnection agreements include selected performance standards and measurements. However, BellSouth has not provided sufficient information on its own internal performance to enable the parties or the Commission to establish standards that would ensure parity between BellSouth and its competitors. Also, even the rudimentary performance standards which have been established for such things as installation intervals are not being met; for example, it has taken BellSouth an average of six days to process each resale order that MCI has ordered on a test basis.

Issue 16. By what date does BellSouth propose to provide intraLATA toll dialing parity throughout Florida pursuant to section 271(e)(2)(A) of the Telecommunications Act of 1996?

MCI: The current provisions for cost recovery for implementation of intraLATA 1+ dialing do not comply with the requirements of FCC Order No. 96-333. Until such a cost-recovery mechanism is in place, it is not possible to determine when BellSouth will be providing intraLATA toll dialing parity in compliance with the Act.

Issue 17. If the answer to issues 2-15 is "yes," have those requirements been met in a single agreement or through a combination of agreements?

MCI: The answer to Issues 1-15 is not "yes." BellSouth has failed in numerous significant ways to meet the requirements of the fourteen item competitive checklist.

Issue 18. Should this docket be closed?

MCI: No, this docket should remain open to enable the parties to conduct further discovery in anticipation of a future BellSouth refiling.

G. Stipulations. There are no stipulations between MCI and BellSouth at this time.

H. Pending Motions. MCI has no pending motions at this time.

I. Requirements of Order on Procedure. MCI believes that this prehearing statement complies with all the requirements of the Order on Procedure.

RESPECTFULLY SUBMITTED this 5th day of August, 1997.

HOPPING GREEN SAMS & SMITH, P.A.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by hand delivery (*) or overnight by Federal Express to the following parties this 5th day of August, 1997.

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