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November 4, 2002

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Ms. Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 011354-TP

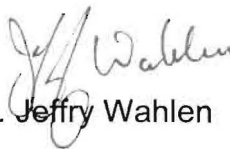
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of ALLTEL Florida, Inc.'s Prehearing Statement. We are also submitting this document on a 3.5" high-density diskette using Microsoft Word 97 format, Rich Text.

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

Enclosures

cc: All parties of record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:)	
)	
Global NAPs, Inc.)	
)	Docket No. 011354-TP
Petition for Arbitration Pursuant to)	
47 U.S.C. § 252(b) of Interconnection,)	
Rates, Terms and Conditions with)	
)	
ALLTEL Florida, Inc.)	Filed: November 4, 2002
_____)	

ALLTEL'S PREHEARING STATEMENT

ALLTEL Florida, Inc. ("ALLTEL" or the "Company"), pursuant to Order No. PSC-02-1312-PCO-TP, submits the following Prehearing Statement:

A. **WITNESS:** The Company will sponsor the direct and rebuttal testimony of Alfred Busbee, who will testify on all issues.

B. **EXHIBITS:** The Company's witness, Alfred Busbee, has one exhibit (AB-1), which was filed with his direct testimony.

C. **BASIC POSITION:**

ALLTEL is a "rural telephone company" within the meaning of §251(f)(1) of the 1996 Telecommunications Act ("Act") and meets the separate definition of a "fewer than 2 percent" rural carrier under §251(f)(2). Rural Telephone Companies and "rural carriers" are granted special status under the Act in that they are exempt from, or can seek a suspension or modification of, the general interconnection and unbundling requirements applicable to large incumbent local exchange carriers. This is the first time this Commission has considered a case

that involves either a “rural exemption” or a rural carrier petition for a “rural suspension or modification” available under the Act.

ALLTEL provides local telephone exchange services in five small, noncontiguous local calling areas in LATA 452 and two in LATA 454. Most of these noncontiguous local exchange areas serve fewer than 10,725 subscribers and several serve less than 3,000. LATA 452 surrounds Jacksonville, but ALLTEL is not the ILEC in Jacksonville and LATA 454 surrounds Gainesville and Ocala, but ALLTEL is not the ILEC in Gainesville or Ocala. In both LATAs a larger geographic area is located outside ALLTEL’s local calling areas than is located inside them. As a smaller rural carrier, ALLTEL does not own its own LATA tandem in either LATA, but subtends the BellSouth LATA tandem in a few isolated instances.

These characteristics make interconnection under the general terms and conditions applicable to large ILECs with ubiquitous networks unduly economically burdensome. Nevertheless, GNAPs seeks to have ALLTEL interconnect on terms and conditions applicable to large ILECs. ALLTEL has proposed language in a draft interconnection agreement that is consistent with the Act generally and with the Act’s “rural” provisions (i.e., Section 251 (f)(1) and (2)) specifically. The Commission should resolve this case by adopting ALLTEL’s positions on the issues set forth below and approving the agreement language proposed by ALLTEL.

D-G. ISSUES AND POSITIONS:

Issue 1

- (a) Should ALLTEL be required to establish an Interconnection Point outside of its network?**
- (b) If ALLTEL should be required to establish an Interconnection Point outside of its network, should ALLTEL be exempt from this requirement pursuant to §251(f)(1) or should this requirement be suspended or modified pursuant to § 251(f)(2)?**

- (c) **If ALLTEL is required to establish an Interconnection Point outside of its network, should each Party be responsible for the costs associated with transporting traffic to the interconnection point or points outside of ALLTEL's network on each party's respective side of the Interconnection Point?**
- (d) **If each party should be responsible for the costs associated with transporting traffic to the interconnection point or points outside of ALLTEL's network, should ALLTEL be exempt from this requirement pursuant to §251(f)(1) or should this requirement be suspended or modified pursuant to § 251(f)(2)?**

Position:

- (a) No. Requiring an Interconnection Point outside of any ILEC's network, whether it is a large urban ILEC or a small rural ILEC, would be inconsistent with federal law (47 CFR §51.305(a)(2) and §251(c)(2)(B) of the Act) and with the Commission's Order on Reciprocal Compensation (No. PSC-02-1248-FOF-TP), which states on page 25 that the POI should be at a "location on an incumbent's network within a LATA."
- (b) Yes. ALLTEL is a "rural telephone company" within the meaning of §251(f)(1) of the Act and meets the separate definition of a "fewer than 2 percent" rural carrier under §251(f)(2). Requiring ALLTEL to establish an IP outside of its network would require ALLTEL to build or lease facilities beyond its network and would be unduly economically burdensome; therefore, ALLTEL should be exempt from any such requirement or any such requirement should be suspended or modified to require all IPs be within ALLTEL's network.
- (c) No. ALLTEL's network contains noncontiguous exchanges within the same LATA. If GNAPs chooses to establish an IP outside of ALLTEL's network, GNAPs should be responsible for the costs of transporting traffic to the IP from each and every one of ALLTEL's noncontiguous exchanges within the LATA from which GNAPs seeks originating local traffic.

(d) Yes. ALLTEL is a "rural telephone company" within the meaning of §251(f)(1) of the Act and meets the separate definition of a "fewer than 2 percent" rural carrier under §251(f)(2). Given the noncontiguous nature of ALLTEL's network within the LATAs it serves, making ALLTEL pay to transport calls to a single IP outside ALLTEL's network would be unduly economically burdensome for ALLTEL; therefore, ALLTEL should be exempt from any such requirement or any such requirement should be suspended or modified.

Issue 2:

- (a) **Should ALLTEL be required to establish a single Interconnection Point at GNAP's designation within ALLTEL's network within a LATA?**
- (b) **If ALLTEL should be required to establish a single Interconnection Point at GNAP's designation within ALLTEL's network within a LATA, should ALLTEL be exempt from this requirement pursuant to §251(f)(1) or should this requirement be suspended or modified pursuant to § 251(f)(2)?**
- (c) **If ALLTEL is required to establish a single Interconnection Point at GNAP's designation within ALLTEL's network within a LATA, should each Party be responsible for the costs associated with transporting traffic to the interconnection point or points on each party's respective side of the Interconnection Point?**
- (d) **If each party should be responsible for the costs associated with transporting traffic to the interconnection point or points within ALLTEL's network within a LATA, should ALLTEL be exempt from this requirement pursuant to §251(f)(1) or should this requirement be suspended or modified pursuant to § 251(f)(2)?**

Position:

- (a) No. ALLTEL's network contains several noncontiguous local exchanges within the same LATA, and such noncontiguous local exchanges are not interconnected with its other such noncontiguous local exchanges by a tandem or other interoffice transport. ALLTEL should only be required to establish a single Interconnection Point within each of ALLTEL's noncontiguous local exchange networks within a LATA.

- (b) Yes. ALLTEL is a "rural telephone company" within the meaning of §251(f)(1) of the Act and meets the separate definition of a "fewer than 2 percent" rural carrier under §251(f)(2). ALLTEL's network contains several noncontiguous local exchanges within the same LATA, and such noncontiguous local exchanges are not interconnected with its other such noncontiguous local exchanges by a tandem or other interoffice transport. Requiring ALLTEL to establish a single IP on one of its noncontiguous exchange networks within a LATA to serve all of ALLTEL's other noncontiguous exchanges within that LATA would be unduly economically burdensome for ALLTEL; therefore, ALLTEL should be exempt from any such requirement or any such requirement should be suspended or modified.
- (c) No. ALLTEL's network contains noncontiguous exchanges within the same LATA. If GNAPS chooses to establish a single IP somewhere on one of ALLTEL's noncontiguous networks within a LATA, rather than one IP in each of ALLTEL's noncontiguous exchanges in the LATA, GNAPS should be responsible for the costs of transporting traffic from each and every one of ALLTEL's other noncontiguous exchanges within the LATA to the single IP.
- (d) Yes. ALLTEL is a "rural telephone company" within the meaning of §251(f)(1) of the Act and meets the separate definition of a "fewer than 2 percent" rural carrier under §251(f)(2). Requiring ALLTEL to pay the transport costs associated with connecting all of its noncontiguous exchanges in a LATA to one IP within one of its other noncontiguous local exchange networks within the LATA would be unduly economically burdensome for ALLTEL; therefore, ALLTEL should be exempt from any such requirement or any such requirement should be suspended or modified.

Issue 3:

- (a) **Should ALLTEL's local calling area boundaries be the basis for distinguishing between when reciprocal compensation (i.e., local) versus exchange access compensation (intraLATA switched access) apply?**
- (b) **If ALLTEL's local calling area boundaries should not be the basis for distinguishing between when reciprocal compensation (i.e., local) versus exchange access compensation (intraLATA switched access) applies, should ALLTEL be exempt from this requirement pursuant to §251(f)(1) or should this requirement be suspended or modified pursuant to § 251(f)(2)?**

Position:

- (a) Yes. The Commission's decision on the local calling area in Docket No. 000075-TP (Phase IIA) is inconsistent with law and should be reconsidered for the reasons outlined in Exhibit AB-1 (i.e., the decision (i) is contrary to the Act and the FCC's rules implementing the Act because it allows compensation that is not truly reciprocal and ignores the distinction between local and access traffic, (ii) is contrary to Florida law because it modifies the state access charge regime in a manner exceeding the Commission's jurisdiction, (iii) enables and encourages regulatory arbitrage, (iv) creates anticompetitive effects, and (v) ignores the massive administrative problems that would result).
- (b) Yes. ALLTEL is a "rural telephone company" within the meaning of §251(f)(1) of the Act and meets the separate definition of a "fewer than 2 percent" rural carrier under §251(f)(2). Even if the Commission declines to reconsider the default definition of "local calling area" applicable to large ILECs, the financial analysis presented by ALLTEL shows that adopting a local calling area different than ALLTEL's local calling boundaries would be unduly economically burdensome for ALLTEL and would threaten its ability to meet its universal service obligations.

Therefore, ALLTEL should be exempt from a contrary requirement or a contrary requirement should be suspended or modified.

Issue 4:

- (a) **Should GNAPs be able to assign to its customers NXX codes that are rate centered in a central office switch serving a local calling area which is outside that in which the customer is located?**
- (b) **If GNAPs should be able to assign to its customers NXX codes that are rate centered in a central office switch serving a local calling area which is outside that in which the customer is located, should ALLTEL be exempt from this requirement pursuant to §251(f)(1) or should any aspects of this requirement be suspended or modified pursuant to § 251(f)(2)?**

Position:

- (a) No. Doing so would be tantamount to declaring an entire LATA local for purposes of reciprocal compensation purposes. This should be rejected for the same five reasons given above in regard to Issue 3(a). GNAPs should be required to rate center an NXX in each exchange in which it plans to provide service and to pay the appropriate exchange access charges when it originates or terminates toll traffic.
- (b) Yes. ALLTEL is a "rural telephone company" within the meaning of §251(f)(1) of the Act and meets the separate definition of a "fewer than 2 percent" rural carrier under §251(f)(2). Such a requirement would be unduly economically burdensome for ALLTEL; therefore, ALLTEL should be exempt from any such requirement or any such requirement should be suspended or modified.

Issue 5: Should explicit language be included in the agreement which specifically provides for renegotiations if there is a change in the law regarding whether ISP-bound calls are local traffic and subject to reciprocal compensation under 47 U.S.C. § 251(b)(5)?

Position: No. The parties have already agreed upon compensation terms and conditions for local traffic, including ISP-bound calls, consistent with current law and have already

agreed upon "Intervening Law" language to provide for renegotiations, if necessary, should the law change with respect to any provision of the agreement, including local traffic compensation and ISP-bound calls. Additional language would be redundant and is unnecessary.

Issue 6: Should explicit language as proposed by GNAPs be included with respect to "litigation costs" and "penalties"?

Position: No. The parties (a) have already agreed upon express language in the interconnection agreement indicating that it shall be governed by applicable federal and state law and (b) have already agreed upon express language to resolve all disputes arising out of the agreement by submission to state commission arbitration as an alternative to litigation, including express language requiring that the parties bear their own costs unless the state commission rules otherwise. Additional express language with respect to "litigation costs" and "penalties" is either redundant to the expressly agreed upon liability, indemnity, damage and dispute resolution provisions or is inconsistent therewith.

H. STIPULATIONS: The Company is not aware of any pending stipulations at this time.

I. PENDING MOTIONS: The Company is not aware of any pending motions at this time. However, in accordance with Rule 26-22.006, F.A.C., ALLTEL will be filing a Request for Confidential Classification for portions of Alfred Busbee's rebuttal testimony on or before November 11, 2002.

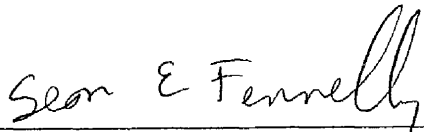
J. COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE: The Company does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

Respectfully submitted this 4th day of November, 2002.

ALLTEL Florida, Inc.

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CERTIFICATE OF SERVICE

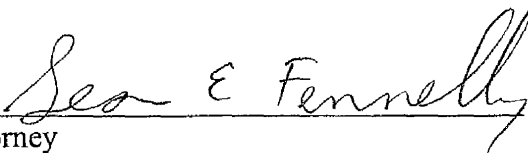
I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U. S. Mail or hand delivery (*) this 4th day of November, 2002, to the following:

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