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# WILEY, REIN & FIELDING

1776 K STREET, N.W.  
WASHINGTON, D. C. 20006  
(202) 429-7000

July 26, 1994

FACSIMILE  
(202) 429-7049

WRITER'S DIRECT DIAL NUMBER

(202) 828-7514

**ORIGINAL  
FILE COPY**

Ms. Blanca S. Bayo  
Director  
Division of Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32301

Re: In re: Expanded Interconnection Phase II and Local  
Transport Restructure; Docket Nos. 931074-TP, 930955-TL,  
940014-TL, and 940020-TL

Dear Ms. Bayo:

Enclosed please find an original and fifteen copies of the Interexchange Access Coalition's ("IAC") Prehearing Statement in the above-referenced proceeding. A word perfect disk is enclosed containing this document.

Also enclosed is a duplicate of this filing. Please date stamp the duplicate and return it to me in the enclosed self-addressed, stamped envelope.

ACM ✓ Should any questions arise concerning this filing, please do not hesitate to contact me at the above-referenced number.

- ACM \_\_\_\_\_
- ADP \_\_\_\_\_
- AGL \_\_\_\_\_
- CAF \_\_\_\_\_
- GMU Reith
- GTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG Commins  
Enclosures
- LIN 4
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTR \_\_\_\_\_

Sincerely,

*Rachel J. Rothstein*  
Rachel J. Rothstein

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J J  
FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

07633 JUL 27 94

FPSC-RECORDS/REPORTING

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for expanded  
interconnection for alternate  
access vendors within local  
exchange company central offices  
by INTERMEDIA COMMUNICATIONS OF  
FLORIDA, INC.

) DOCKET NO. 921074-TP  
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In Re: Request for approval of  
tariff filing to restructure  
Switched Access Local Transport  
by BELLSOUTH TELECOMMUNICATIONS,  
INC. d/b/a SOUTHERN BELL  
TELEPHONE AND TELEGRAPH COMPANY  
(T-93-552 FILED 9/15/93)

) DOCKET NO. 930955-TL  
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In Re: Request for approval of  
tariff filing to restructure  
local transport element of  
switched access service by  
UNITED TELEPHONE COMPANY OF  
FLORIDA (T-93-728 FILED  
12/17/93)

) DOCKET NO. 940014-TL  
)  
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In Re: Request for approval of  
tariff filing to restructure  
local transport element of  
switched access service by  
CENTRAL TELEPHONE COMPANY OF  
1994  
FLORIDA (T-93-727 FILED  
12/17/93)

) DOCKET NO. 940020-TL  
) ORDER NO. PSC-94-0076  
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) PCO-TL  
) ISSUED: January 21,  
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**INTEREXCHANGE ACCESS COALITION  
PREHEARING STATEMENT**

Pursuant to Rule 25-22.038(3), the Interexchange Access  
Coalition ("IAC"), by its attorneys, hereby files its  
prehearing statement in the above-captioned proceeding.

**A. Appearances**

Brad E. Mutschelknaus, of Wiley, Rein & Fielding, 1776 K  
Street, N.W., Washington, D.C. 20006 and Vicki Gordon Kaufman

DOCUMENT NUMBER-DATE

07633 JUL 27 8

of McWhirter, Reeves, McGlothlin, Davidson & Bakas, 315 S. Calhoun Street, #716, Tallahassee, Florida 32301.

**B. Witnesses**

IAC proposes to call the following witness to offer testimony on the issues indicated below:

Witness: Joseph P. Gillan  
Issues Addressed: 1, 2, 14, 18, 19, 20, 21, 22, 23.  
Exhibits: Exhibits 1 and Figures 2 and 3 filed with the Direct Testimony of Joseph Gillan.

**C. Basic Position**

IAC does not oppose the proposal of the LECs to replace the existing switched access transport rate structure with a system that allows them to offer both flat-rated and usage based pricing options. However, IAC firmly believes that the price differences among the transport options must reflect only the cost difference of providing them. IAC believes that the LECs' proposed rate levels must be adjusted to prevent the LECs from engaging in unreasonable price discrimination. Failure to do so would enable the LECs will give non-cost based discounts to AT&T to retain its business, and make-up the revenue shortfall by overcharging smaller IXCs which are captive customers of LEC access services.

**D. Issues**

**Issue: 1.** How is switched access provisioned and priced today?

**IAC Position:** IXCs may order either direct routed or tandem routed switched access. Regardless of the configuration or the mileage, the intrastate transport price is equivalent.

**Issue: 2.** How is local transport structured and priced today.

**IAC Position:** See IAC's response to Issue 1 for how transport is currently priced at the intrastate level.

At the federal level, transport service has been restructured, similar to the restructure proposed in Florida by the LECs. Transport will consist of three options -- DS1, DS3 and tandem switched (TST). DS1 and DS3 will be flat-rated, while TST will be priced on a usage sensitive basis.

**Issue: 3.** Under what circumstances should the Commission impose the same or different forms and conditions of expanded interconnection than the F.C.C.?

**IAC Position:** IAC takes no position at this time.

**Issue: 4.** Is expanded interconnection for switched access in the public interest? (The following should be discussed within this issue: Potential separations impact; Potential

revenue impact on LECs, their ratepayers, and potential competitors; Potential ratepayer impact.)

**IAC Position: IAC takes no position at this time.**

**Issue: 5.** Is the offering of dedicated and switched services between non-affiliated entities by non-LECs in the public interest?

**IAC Position: IAC takes no position at this time.**

**Issue: 6.** Does Chapter 364, Florida Statutes, allow the Commission to require expanded interconnection for switched access?

**IAC Position: IAC takes no position at this time.**

**Issue: 7.** Does a physical collocation mandate raise federal or state constitutional questions about the taking or confiscation of LEC property?

**IAC Position: IAC takes no position at this time.**

**Issue: 8.** Should the Commission require physical and/or virtual collocation for switched access expanded interconnection?

**IAC Position: IAC takes no position at this time.**



**Issue: 9.** Which LECs should provide switched access expanded interconnection?

**IAC Position:** IAC takes no position at this time.

**Issue: 10.** From what LEC facilities should expanded interconnection for switched access be offered? Should expanded interconnection for switched access be required from all such facilities?

**IAC Position:** IAC takes no position at this time.

**Issue: 11.** Which entities should be allowed expanded interconnection for switched access?

**IAC Position:** IAC takes no position at this time.

**Issue: 12.** Should collocators be required to allow LECs and other parties to interconnect with their networks?

**IAC Position:** IAC takes no position at this time.

**Issue: 13.** Should the Commission allow switched access expanded interconnection for non-fiber optic technology?

**IAC Position:** IAC takes no position at this time.

**Issue: 14.** Should all switched access transport providers be required to file tariffs?

**IAC Position:** Yes.

**Issue: 15.** Should the proposed LEC flexible pricing plans for private line and special access service be approved?

**IAC Position:** IAC takes no position at this time.

**Issue: 16.** Should the LECs proposed intrastate private line and special access expanded interconnection tariffs be approved?

**IAC Position:** IAC takes no position at this time.

**Issue: 17.** Should the LECs proposed intrastate switched access interconnection tariffs be approved?

**IAC Position:** IAC takes no position at this time.

**Issue: 18.** Should the LECs be granted additional pricing flexibility? If so, what should it be?

**IAC Position:** Expanded interconnection for special or switched access service per se does not justify granting the LECs any additional pricing flexibility. The Commission should separately consider, however, whether zone pricing based on identifiable cost differences in service is a reasonable pricing strategy -- so long as rates within each zone do not discriminate among customers.

**Issue: 19.** Should the Commission modify its pricing and rate structure regarding switched transport service?

- a. With the implementation of switched expanded interconnection.
- b. Without the implementation of switched expanded interconnection.

**IAC Position:** IAC does not object to the LECs' proposal to restructure switched transport rates, but IAC objects strenuously to the LECs proposed initial pricing of the restructured switched transport services.

**Issue: 20.** If the Commission changes its policy on the pricing and rate structure of switched transport service, which of the following should the new policy be based on:

- a. The intrastate pricing and rate structure of local transport should mirror each LEC's interstate filing, respectively.
- b. The intrastate pricing and rate structure of local transport should be determined by competitive conditions in the transport market.
- c. The intrastate pricing and rate structure of local transport should reflect the underlying cost based structure.
- d. The intrastate pricing and rate structure of local transport should reflect other methods.



**IAC Position:** IAC believes that the pricing of local transport must reflect the underlying cost incurred by the LEC in providing the service. Non-cost based rates, i.e., discrimination among access customers, would disrupt interexchange competition.

**Issue: 21.** Should the LEC's proposed local transport restructure tariffs be approved? If not, what changes should be made to the tariffs?

**IAC Position:** No. The LEC's proposed restructure tariffs should not be approved. The Commission must examine the underlying costs for the three transport options and require that LEC rates be modified to reflect these costs.

**Issue: 22.** Should the Modified Access Based Compensation (MABC) agreement be modified to incorporate a revised transport structure (if local transport restructure is adopted) for intraLATA toll traffic between LECs?

**IAC Position:** Yes.

**Issue: 23.** How should the Commission's imputation guidelines be modified to reflect a revised transport structure (if local transport restructure is adopted)?

**IAC Position:** The LECs should be required to impute the rates for tandem switched transport until such time as they

provide justification as to the actual routing of their toll traffic.

- a. Should the Commission modify the Phase I order in light of the decision by the United States Court of Appeals for the District of Columbia Circuit?

IAC Position: IAC takes no position at this time.

Issue: 24. Should these dockets be closed?

IAC Position: IAC takes no position at this time.

**E. Stipulated Issues**

IAC is not aware of any issues that have been stipulated.

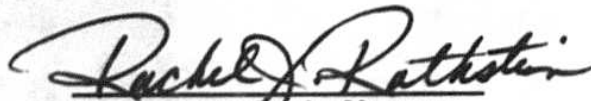
**F. Pending Motions**

IAC is not aware of any pending motions.

**G. Requirements that Cannot Be Complied With**

None.

Respectfully submitted,



Brad E. Mutschelknaus  
Rachel J. Rothstein  
Wiley, Rein & Fielding  
1776 K Street, N.W.  
Washington, D.C. 20006  
(202) 429-7000

Attorneys for the  
Interexchange Access Coalition

**CERTIFICATE OF SERVICE**

I hereby certify that on this 26th day of July, 1994, I caused copies of the foregoing  
"INTEREXCHANGE ACCESS COALITION'S PREHEARING STATEMENT" to be mailed via first-class  
postage prepaid mail to the following:

See attached list.

  
Etta L. Wolfe

Pat Wiggins  
Wiggins & Villacorta  
501 East Tennessee Street Suite B  
Post Office Drawer 1657  
Tallahassee, FL 32302

Harriet Eudy  
ALLTEL Florida, Inc.  
Post Office Box 550  
Live Oak, FL 32060-0550

Michael W. Tye  
AT&T Communications of the  
Southern States, Inc.  
106 East College Avenue Suite 1420  
Tallahassee, FL 32301-7733

Intermediate Communications  
External Affairs V.P.  
9280 Bay Plaza Blvd. Suite 720  
Tampa, FL 32619

Lee Willis  
MacFarlane, Ausley, Ferguson & McMullen  
Post Office Box 391  
Tallahassee, FL 32301

Central Telephone Company  
General Regulatory Manager  
Sprint/United - Florida  
P.O. Box 165000 MC #5326  
Altamonte Springs, FL 32716-5000

Laura Wilson  
Florida Cable Television  
Association, Inc.  
P.O. Box 10383  
Tallahassee, FL 32302

Vicki Kaufman  
McWhirter Law Firm  
FICA  
315 S. Calhoun Street, #716  
Tallahassee, FL 32301

Kim Caswell  
GTE  
1 Tampa City Center  
P.O. Box 110, MC FL TL 0007  
Tampa, FL 3260

Charles Dennis  
Indiantown Telephone Systems, Inc.  
P.O. Box 277  
Indiantown, FL 33456

Michael Henry  
MCI Telecommunications  
780 Johnson Ferry Rd. Suite 700  
Atlanta, GA 30342

Kenneth Hoffman  
Rutledge, Ecenia, Underwood,  
Purnel & Hoffman, P.A.  
P.O. Box 551  
Tallahassee, FL 32302-0551

Everett Boyd  
Sprint  
P.O. Drawer 1170  
Tallahassee, FL 32302

Joseph Gillan  
Florida Interexchange  
Carriers Association  
P.O. Box 547276  
Orlando, FL 32854

Beverly Menard  
c/o Richard Fletcher  
GTE Florida, Inc.  
106 East College Avenue Suite 1440  
Tallahassee, FL 32301

Richare Melson  
Hopping Law Firm  
MCI  
P.O. Box 6526  
Tallahassee, FL 32314

John A. Carroll, Jr.  
Northeast Florida Telephone Co.  
P.O. Box 485  
Macclenny, FL 32063-0485

Charlie J. Beck  
c/o The Florida Legislature  
Office of Public Counsel  
111 W. Madison Street Rm. 812  
Tallahassee, FL 32399-1400

Daniel V. Gregory  
Quincy Telephone Company  
P.O. Box 189  
Quincy, FL 32351

Jeff McGee  
Southland Telephone Company  
P.O. Box 37  
Atmore, AL 36504-0037

Jodie L. Donovan  
Teleport Communications Group, Inc.  
One Teleport Dr. #301  
Staten Island, NY 10311

Jerry Johns  
United Telephone Company  
P.O. Box 165000  
Altamonte Springs, FL 32716-5000

Peter M. Dunbar  
Haben, Culpepper, Dunbar  
and French  
Post Office Box 10095  
Tallahassee, FL 32302

Marshall Criser  
Southern Bell Telephone Co.  
Sun Bank Building, Suite 400  
150 South Monroe Street  
Tallahassee, FL 32301-1556

Janis Stahlhut  
Vice President of Regulatory Affairs  
Time Warner Communications  
Corporate Headquarters  
300 First Stamford Place  
Stamford, CT 06902-6732

Kenneth Hoffman  
Messer Law Firm  
FICA  
P.O. Box 1876  
Tallahassee, FL 32302