



Michael W. Tye
Sr. Attorney

Suite 700
101 N. Monroe Street
Tallahassee, FL 32301
904 425-6360
FAX: 904 425-6361

December 11, 1995

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

Re: Docket No. 950985-TP

Dear Mrs. Bayo:

Enclosed for filing in the above referenced docket are an original and fifteen (15) copies of AT&T's Prehearing Statement.

✓
Copies of the foregoing are being served on all parties of record in accordance with the attached Certificate of Service.

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ATA _____
APP _____
CMT _____
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WAS _____
OTH _____

Attachments

cc: J. P. Spooner, Jr.
Parties of Record

Yours truly,

Michael W. Tye
Michael W. Tye

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution of Petition)
to Establish Nondiscriminatory) DOCKET NO. 950985-TP
Rates, Terms, and Conditions)
for Interconnection Involving) FILED: 12/11/95
Local Exchange Companies and)
Alternative Local Exchange)
Companies Pursuant to)
Section 364.162, Florida Statutes.)

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AT&T'S PREHEARING STATEMENT

AT&T Communications of the Southern States, Inc.
(hereinafter "AT&T"), pursuant to Rule 25-22.038, Florida
Administrative Code, and order of the Florida Public Service
Commission (hereinafter the "Commission") hereby submits its
Prehearing Statement in the above-referenced docket.

A. Witness

AT&T intends to sponsor the testimony of the following
witness:

1. Mike Guedel: Mr. Guedel's direct testimony
primarily responds to Issues 1 and 2. His testimony
describes, in a generic sense, the characteristics of
interconnection and collocation arrangements that are
necessary to provide inter-carrier connections that are
both technically efficient and economically sensible,
and thus effectively competitive. His testimony
further addresses the issue of mutual compensation
associated with call completion as described in the

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petition of Continental and recommends a compensation arrangement that is consistent with the generic principles discussed in his testimony.

AT&T has not filed rebuttal testimony but reserves the right to call any additional witnesses and present any additional evidence that might be necessary to respond to matters which are raised for the first time at the hearings in this docket.

B. Exhibits.

AT&T has not prefiled any exhibits in this case. However, AT&T reserves the right to present any exhibits that may be necessary to cross-examine opposing witnesses or to respond to matters which are raised for the first time at the hearings in this proceeding.

C. Basic Position.

AT&T understands the issues in this case may be the subject of continuing negotiations between the various ALECs and BellSouth. To the extent that such issues can be resolved through negotiations, such negotiated arrangement should be filed with the Commission pursuant to Section 364.162(2), Florida Statutes, and this docket should be closed. To the extent that the parties are unable to resolve all of the pending issues, AT&T believes that they should resolve as many issues as possible [to be filed with

the Commission pursuant to Section 364.162(2)] and that this docket should be used to resolve only the remaining issues.

It is AT&T's understanding that the issues that are most likely to need Commission resolution are those involving the appropriate interconnection rate structure, interconnection rates, or other arrangements for the exchange of traffic between the various ALECs and BellSouth. AT&T submits that, initially, the best solution to this question may be a "bill and keep" arrangement whereby the compensation that one company offers to another for the completion of its calls is an agreement to complete the other company's calls in a like manner. Such an arrangement is simple to administer and can be implemented without the development of cost studies that would be required to establish and justify specific prices.

In the long run, if effective competition for local service does develop and some of the complications of measuring, billing, and costing are sorted out, it may be possible to develop a mechanism that includes actual billing at prices based on Total Service Long Run Incremental Cost (hereinafter "TSLRIC"). That is, the rates charged for call termination service associated with interconnection arrangements should be set at the TSLRIC that each company incurs in providing the service. If such a mechanism is established, participating companies should be permitted to recover the TSLRIC that they incur in providing call termination arrangements, but no company should be permitted

to exact any additional mark-up from potential competitors simply for the right to do business in its territory.

D. Fact Issues.

See Attachment 1 (AT&T's Positions on Issues).

E. Legal Issues.

See Attachment 1 (AT&T's Positions on Issues).

F. Policy Issues.

See Attachment 1 (AT&T's Positions on Issues).

G. Position on Issues.

See Attachment 1 (AT&T's Positions on Issues).

H. Stipulated Issues.

AT&T is not aware of any issues that have been stipulated to by the parties.

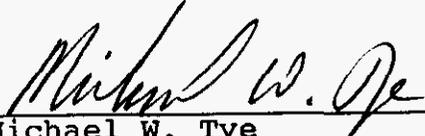
I. Pending Motions.

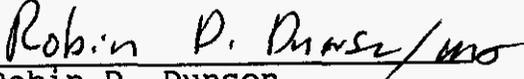
AT&T is not aware of any pending motions.

J. Other Requirements.

AT&T is not aware of any requirements set forth in the Order on Prehearing Procedure with which it is unable to comply.

Respectfully submitted this 11th day of December, 1995.


Michael W. Tye
101 N. Monroe St.
Suite 700
Tallahassee, FL 32301
(904) 425-6360


Robin D. Dunson
1200 Peachtree St., NE
Promenade I, Room 4038
Atlanta, Georgia 30309
(404) 810-8689

ATTORNEYS FOR AT&T
COMMUNICATIONS OF THE
SOUTHERN STATES, INC.

AT&T'S POSITIONS ON ISSUES

ISSUE 1: What are the appropriate rate structures, interconnection rates, or other compensation arrangements for the exchange of local and toll traffic between an ALEC and BellSouth?

AT&T'S POSITION: Initially, the best solution for the exchange of local traffic may be the "bill and keep" arrangement. Under this arrangement no dollars change hands. The compensation that one company offers to another for the completion of its calls is the agreement to complete the other companies' calls in a like manner.

However, if effective competition for local service does develop, and some of the complications of measuring and billing and costing are sorted out, then a better long term solution would include actual billing at prices set equal to the Total Service Long Run Incremental Cost (TSLRIC) incurred in providing call termination. This method would more likely ensure that each company is accurately compensated for the particular services that it provides.

The arrangements for the exchange of toll traffic could be accomplished in the same way. However, the LEC must make available to all toll providers the same rates terms and conditions that it offers any ALEC for the exchange or completion of toll traffic.

AT&T WITNESS: Mike Guedel

ISSUE 2: If the Commission sets rates, terms, and conditions for interconnection between an ALEC and BellSouth, should BellSouth tariff the interconnection rate(s) or other arrangements?

AT&T'S POSITION: Yes.

AT&T WITNESS: Mike Guedel

ISSUE 3: What are the appropriate technical and financial arrangements which should govern interconnection between an ALEC and BellSouth for the delivery of calls originated and/or terminated from carriers not directly connected to the ALEC's network?

AT&T'S POSITION: This response assumes an arrangement where a call transverses a BellSouth tandem switch.

When a local call originated by an ALEC customer transverses a BellSouth tandem switch to be completed through another ALEC switch, BellSouth should be entitled to charge the originating ALEC the TSLRIC associated with the tandem switching function.

When a toll call carried by an interexchange carrier transverses a BellSouth tandem to be completed at an ALEC end office switch, standard meet point billing arrangements should apply. Essentially BellSouth would be entitled to the revenues associated with the tandem transport function (also common transport if applicable, but not the Residual Interconnection Charge) and the ALEC would be entitled to all other switched access revenues.

AT&T WITNESS: Mike Guedel

ISSUE 4: What are the appropriate technical and financial requirements for the exchange of intraLATA 800 traffic which originates from an ALEC customer and terminates to an 800 number served by or through BellSouth?

AT&T'S POSITION: When an 800 call is originated, the ALEC must first determine where to send the call by querying an 800 database. If the call is to be routed to BellSouth, the originating ALEC should forward the call with appropriate call detail information to BellSouth so that BellSouth can bill its 800 customer. BellSouth should compensate the ALEC with appropriate 800 originating access charges and an 800 database query charge.

AT&T WITNESS: Mike Guedel

ISSUE 5a: What are the appropriate technical arrangements for the interconnection of an ALEC's network to BellSouth's 911 provisioning network such that an ALEC's customers are ensured the same level of 911 service as they would receive as a customer of BellSouth?

AT&T'S POSITION: The provisioning of 911 to ALEC customers requires interconnection of ALEC facilities at the appropriate BellSouth 911 tandem. The ALEC will be required to build or lease the necessary trunking facilities to the appropriate interconnection point.

AT&T WITNESS: Mike Guedel

ISSUE 5b: What procedures should be in place for the timely exchange and updating of an ALEC's customer information for inclusion in appropriate E911 databases?

AT&T'S POSITION: Procedures must be established to ensure that the ALEC customer information is updated as effectively as is customer information of the incumbent LEC. Optimally, electronic interfaces should be established between the ALEC and the appropriate databases such that the ALEC can maintain and update information pertaining to its customers and assigned numbers.

AT&T WITNESS: Mike Guedel

ISSUE 6: What are the appropriate technical and financial requirements for operator handled traffic flowing between an ALEC and BellSouth, including busy line verification and emergency interrupt services?

AT&T'S POSITION: Busy Line Verification and Emergency Interrupt (BLV/I) should be made available by all local service providers (LECs/ALECs).

If the ALEC provides its own operators then: 1) the ALEC will provide BLV/I within its own network, and 2) inward trunking arrangements must be established between ALEC operators and BellSouth operators for the purposes of intercompany BLV/I.

If the ALEC utilizes BellSouth BLV/I operators and services (at BellSouth tariffed rates), then inward trunks would have to be established between the ALEC switch and the BellSouth operators for all BLV/I.

Each company will bill for BLV/I as applicable at its tariffed rates.

AT&T WITNESS: Mike Guedel

ISSUE 7: What are the appropriate arrangements for the provision of directory assistance services and data between BellSouth and an ALEC?

AT&T'S POSITION: BellSouth should include directory information regarding ALEC customers in BellSouth's Directory Assistance Database. Electronic interfaces should be established to allow an ALEC to update database information regarding its customers.

AT&T'S WITNESS: Mike Guedel

ISSUE 8: Under what terms and conditions should BellSouth be required to list ALEC's customers in its white and yellow pages directories, and to publish and distribute these directories to ALEC customers?

AT&T'S POSITION: BellSouth should be required to include basic white page listings for ALEC residential customers and basic yellow page listings (as well as business white page listings as available to BellSouth customers) for ALEC business customers. BellSouth should include all ALEC customers in its distribution of white and yellow pages. BellSouth should not charge

the ALEC or the ALEC customers for these services. Additional or enhanced directory listings should be made available to ALEC customers at the same rates terms and conditions as available to BellSouth customers. The ALEC will be responsible for providing BellSouth accurate directory information in an established format and in a timely manner.

AT&T WITNESS: Mike Guedel

ISSUE 9: What are the appropriate arrangements for the provision of billing and collection services between BellSouth and ALECs including billing and clearing credit, collect, third party and audiotext calls?

AT&T'S POSITION: AT&T takes no position on this issue at this time.

ISSUE 10: What arrangements are necessary to ensure the provision of CLASS/LASS services between an ALEC and BellSouth's network?

AT&T'S POSITION: The provision of class features requires the unbundling and interconnection of the SS7 signaling network. BellSouth and the ALECs should work together in linking the SS7 arrangements and protocols to ensure total interoperability of CLASS/LASS features between their respective networks.

AT&T'S WITNESS: Mike Guedel

ISSUE 11: What are the appropriate arrangements for physical interconnection between an ALEC and BellSouth, including trunking and signaling?

AT&T'S POSITION: Typically interconnection will take place at either the BellSouth tandem or BellSouth end office. However, other arrangements, such as mid-span meets must also be accommodated. BellSouth must provide space for the collocation of ALEC facilities. Trunking arrangements between BellSouth and an ALEC may be either two way or one way at the ALEC's discretion. Separate trunk groups for local and toll traffic must

not be required. BellSouth should provide unbundled SS7 signaling and interface arrangements (where available) in conjunction with interconnection.

AT&T'S WITNESS: Mike Guedel

ISSUE 12: To the extent not addressed in the Number Portability Docket, what are the appropriate financial and operational arrangements for interexchange calls terminated to a number that has been "ported" to an ALEC?

AT&T'S POSITION: Under this scenario, the incumbent LEC is entitled to the switched access charges associated with the local transport function (either the dedicated or tandem/common transport elements) required to transport the call to the LEC office from which the call will be "ported" to the ALEC. The incumbent LEC is not entitled to any other switched access charges. The cost that the incumbent LEC incurs in "porting" the call to the ALEC is recovered through local number portability charges. To the extent that the incumbent LEC bills the non-transport switched access charges in this arrangement, the associated revenues should be remitted to the ALEC. If this cannot be accomplished, then the incumbent LEC should provide adjustments to the local number portability charges.

AT&T'S WITNESS: Mike Guedel

ISSUE 13: What, if any, arrangements are necessary to address other operational issues?

AT&T'S POSITION: AT&T takes no position on this issue at this time.

ISSUE 14: What, if any, arrangements are appropriate for the assignment of NXX codes to ALECs?

AT&T'S POSITION: Telephone numbers should be made available to all service providers on an equal basis.

BellSouth, as administrator of the number assignment process for Florida, should make numbers available to all ALECs in the same manner as it make numbers available to itself or other LECs.

AT&T'S WITNESS: Mike Guedel

CERTIFICATE OF SERVICE

DOCKET NO. 950985-TP

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by next day express mail, U. S. Mail or hand-delivery to the following parties of record this 11th day of December, 1995.

Robert V. Elias, Esq.
Florida Public Service Comm.
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Donna L. Canzano, Esq.
Florida Public Service Comm.
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Floyd R. Self, Esq.
Messer Vickers et al
215 S. Monroe St., Suite 701
Tallahassee, FL 32301

Richard D. Melson, Esq.
Hopping Green Sams & Smith
123 S. Calhoun Street
Tallahassee, FL 32301

Lee Willis, Esq.
Jeffry Wahlen, Esq.
Macfarlane Ausley et al.
227 S. Calhoun Street
Tallahassee, FL 32301

Patrick Wiggins, Esq.
Marsha Rule, Esq.
Wiggins & Villacorta, P.A.
501 E. Tennessee St., Suite B
Tallahassee, FL 32301

Anthony P. Gillman, Esq.
Kimberly Caswell, Esq.
GTE Florida, Incorporated
201 N. Franklin St.
Tampa, FL 33601

Jodie Donovan-May, Esq.
Teleport Communications
1133 21st St., NW, #400
Washington, DC 20036

Nancy H. Sims
Southern Bell Telephone
150 S. Monroe St., Ste. 400
Tallahassee, FL 32301

Michael J. Henry, Esq.
MCI Telecommunications
780 Johnson Ferry Road #700
Atlanta, GA 30342

Donald Crosby, Esq.
Continental Cablevision
7800 Belfort Parkway #270
Jacksonville, FL 32256-6925

Kenneth Hoffman, Esq.
Rutledge Ecenia et al
215 S. Monroe St., Suite 420
Tallahassee, FL 32301

Charles Beck, Esq.
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400

Peter M. Dunbar, Esq.
Pennington Law Firm
215 S. Monroe St., Suite 200
Tallahassee, FL 32302

Patricia Kurlin, Esq.
Intermedia Communications
9280 Bay Plaza Blvd.
Suite 720
Tampa, FL 33619-4453

Timothy Devine
MFS Communications Company, Inc.
250 Williams Street, Suite 2200
Atlanta, GA 30303-1034

James C. Falvey, Esq.
Richard M. Rindler, Esq.
Swidler & Berlin
3000 K St., NW, Suite 300
Washington, D.C. 20007

David B. Erwin, Esq.
Young, VanAssenderp, Varnadoe
225 S. Adams St., Suite 200
Tallahassee, FL 32301

Laura Wilson, Esq.
Florida Cable
310 N. Monroe Street
Tallahassee, FL 32301

Jill Butler
2773 Red Maple Ridge
Tallahassee, FL 32301

Lynn B. Hall
Vista-United
3100 Bonnett Creek Parkway
Lake Buena Vista, FL 32830

Angela Green, Esq.
FPTA
125 S. Gadsden St., Suite 200
Tallahassee, FL 32301



Michael W. Tye