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March 22, 1996

**ORIGINAL
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via Hand Delivery

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

Re: Resolution of Petition(s) to establish 1995 rates,
terms, and conditions for interconnection involving
local exchange companies and alternative local
exchange companies pursuant to Section 364.162,
Florida Statutes; Docket No. 950985-TP

Dear Ms. Bayo:

Enclosed for filing please find an original and fifteen copies
of Time Warner AxS of Florida, L.P.'s and Digital Media Partners
Posthearing Brief for the above-referenced docket. You will also
find a copy of this letter and a diskette in Word Perfect 5.1
format enclosed. Please date-stamp this copy to indicate that the
original was filed and return to me.

If you have any questions regarding this matter, please feel
free to contact me.

Respectfully,

PENNINGTON, CULPEPPER, MOORE,
WILKINSON, DUNBAR & DUNLAP, P.A.



Robert S. Cohen

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution of Petition(s))
to establish nondiscriminatory)
rates, terms, and conditions for)
interconnection involving local)
exchange companies and alternative)
local exchange companies pursuant)
to Section 364.162, Florida Statutes)
_____)

Docket No. 950985-TP
Filed: March 22, 1996

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**POSTHEARING BRIEF OF TIME WARNER AxS OF FLORIDA, L.P.
AND DIGITAL MEDIA PARTNERS**

Time Warner AxS of Florida, L.P., and Digital Media Partners (collectively, "Time Warner"), pursuant to Florida Administrative Code Rule 25-22.056, respectfully submits the following Posthearing Brief in the above-captioned docket to the Florida Public Service Commission ("FPSC" or "Commission").

TIME WARNER'S BASIC POSITION

Through the 1995 rewrite of Chapter 364, the Florida Legislature has positioned Florida to lead the nation in the development of a competitive telecommunications market. Pursuant to the statutory rewrite, the Commission has an affirmative duty to promote competition by encouraging new entrants into telecommunications markets in Florida.¹ Further, the Legislature has long recognized that the public is best served by having interconnected networks.² To ensure that this continues after there are multiple providers of local exchange service, the Legislature has mandated that incumbent local exchange companies must provide

¹ Section 364.01(4)(d), Florida Statutes (1995).

² Section 364.16(1), Florida Statutes (1995)

access to, and interconnection with, their telecommunications facilities to any other provider of local exchange telecommunications services requesting such access and interconnection at nondiscriminatory prices, rates, terms, and conditions.³ The Florida Legislature encouraged parties to negotiate an agreement for interconnection, by laying out a time period in which the new ALEC is to negotiate mutually acceptable prices, terms, and conditions of interconnection (and for the resale of services and facilities).⁴ If after this time period a negotiated price is not established, the Legislature has set up a procedure by which either party could file a petition with the Commission to establish nondiscriminatory rates, terms, and conditions of interconnection (and for the resale of services and facilities), which would be resolved by the Commission within 120 days of the filing.⁵

Local interconnection is the ability of two local exchange service providers to connect their networks to provide service to their respective customers. It encompasses an array of technical issues, as well as compensation arrangements needed for two or more local exchange providers to connect their networks. It also includes the provision of service provider number portability, coordinated network design and architecture, the arrangement of signaling, the transfer of information, access to data bases and billing information, and many other detailed coordination requirements.⁶ Interconnection with the incumbent local exchange company (ILEC) is an essential element for an alternative local exchange company (ALEC) to provide

³ Section 364.16(3), Florida Statutes (1995)

⁴ Section 364.162(1) and (6), Florida Statutes (1995); Devine TR 52

⁵ Section 364.162(3), Florida Statutes (1995)

⁶ Wood TR 347-348

service.⁷ It is also important for incumbent LECs. However, the impact of having inadequate interconnection rates, terms, and conditions is significantly greater to ALECs than to ILECs, since ALECs must overcome brand loyalty by providing better service at lower prices in order to provide market share.⁸ This is true for all ALECs. Even if the networks of various ALECs are different, the need for interconnection is identical.

Time Warner's ability to serve its potential customers is predicated on having reasonable interconnection with the incumbent LECs. Time Warner was unable to reach a settlement with Sprint United and as a result filed a petition requesting that the Commission resolve issues related to interconnection and ancillary services like directory listings, directory assistance, and publication and distribution of white/yellow page directories, as to rates, terms and conditions. Time Warner did not file a petition regarding GTEFL, but has participated in the case relating to the petition filed by Metropolitan Fiber Systems of Florida, Inc. (MFS). Time Warner is in substantial agreement with the resolution of issues 2, 4-10, 12 and 14, as posed in the MFS/GTE Partial Florida Cocarrier Agreement,⁹ although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties.

There are several factors the Commission should take into account in determining local interconnection issues: First, to recognize that the LEC's ubiquitous network is the only way an ALEC can reach all customers today; second,

⁷ Devine TR 50, 51

⁸ Wood TR 349

⁹ Exhibit 18

to consider the impact of various rate structures and levels on the development of competition; third, to create incentives for competitive infrastructure development; fourth to promote technological innovation and the deployment of new technologies; fifth, to not include a contribution to universal service; finally, to recognize that remote call forwarding, the only viable mechanism available to provide number portability, has many shortcomings, including the loss of identity for toll calls to ported numbers.¹⁰

Time Warner believes that the best method of interconnection compensation, especially in an infant local exchange market, is that of a bill and keep arrangement. This is the method that local exchange companies (LECs) use today, is administratively simple, and allows competitors to choose a network architecture which is most efficient. This method has been accepted and implemented by a number of other states including California, Michigan, Connecticut, Washington, and Texas.¹¹ In addition, bill and keep is most likely to produce the benefits of competition for consumers. The recent Commission decision ordering BellSouth to interconnect with MCI Metro Access Transmission Services, Inc. (MCI Metro) and MFS under a bill and keep arrangement is also the appropriate resolution for Time Warner's petition in this case. In technical interconnection arrangements, the alternative local exchange company should be treated as a co-carrier, utilizing many of the mechanisms that are in place between LECs today.

¹⁰ Wood TR 351-353

¹¹ Wood TR 357-358

1. WHAT ARE THE APPROPRIATE RATE STRUCTURES, INTERCONNECTION RATES, OR OTHER COMPENSATION ARRANGEMENTS FOR THE EXCHANGE OF LOCAL AND TOLL TRAFFIC BETWEEN THE RESPECTIVE ALECS AND SPRINT UNITED?

****TIME WARNER'S POSITION:** The appropriate local interconnection arrangement is bill and keep. In addition, there should be no toll default mechanism. The provisions of Chapter 364.16, F.S. prohibit the termination of toll over a local interconnection arrangement and provide a course of action for alleged violations.**

As Don Wood, witness for Time Warner, noted, the most appropriate arrangement for the exchange of local traffic is a bill and keep arrangement.¹² Bill and keep is a "payment in kind" for local interconnection, thus, meeting the statutory requirement that it cover costs.¹³ Bill and keep is reciprocal, thus acknowledging that all participants are co-carriers. Bill and keep is certainly the least cost method of compensation for terminating traffic, and thus, is the approach most likely to help drive local exchange rates as low as possible for customers. In fact, even Sprint United witness Poag agreed that bill and keep has a number of transactional and measurement advantages, including eliminating the need for separate or new billing and accounting systems.¹⁴ Third, bill and keep will minimize the opportunity for incumbent LECs to use the compensation mechanism to impose unnecessary and anticompetitive costs upon Time Warner. Fourth, bill and keep is

¹² TR 353-356, TR 390-394

¹³ Cornell TR 840, 846

¹⁴ TR 1317-1319

neutral in terms of both the technology and architecture that Time Warner might choose to adopt to best promote competition for consumers. Finally, bill and keep can be implemented today. Sprint United does not have the ability to measure terminating local traffic, even if it installs new software it expects ALECs to pay for, and will have to rely on a "percent local usage" (PLU) factor instead.¹⁵ This Commission recently ordered bill and keep for MFS and MCI Metro for the termination of local exchange traffic with Bell South.

An important issue in the determination of an appropriate interconnection compensation mechanism is whether one believes that traffic exchanged between local service providers will be in balance. There are factors today which can influence the out-of-balance condition, such as remote call forwarding for temporary number portability.¹⁶ In general, however, the new entrants in this docket believe that traffic will largely be in balance. Sprint United witness Poag's information derived from traffic studies on EAS routes, which showed out of balance on those routes, is not unexpected, according to MCI Metro witness Cornell, since EAS typically involves calling from a rural area to an urban area.¹⁷

The ILECs appear to believe this too. Both GTEFL's and Sprint United's stipulations with Intermedia Communications, Inc. includes a 105% cap on out-of-balance traffic, and a provision to go to bill and keep if the administrative costs of measuring and billing exceed the revenues received.¹⁸

¹⁵ Poag's TR 1358

¹⁶ Cornell TR 901-902

¹⁷ Cornell TR 900

¹⁸ Exhibit 19

There is the possibility that the LECs might not cover their costs under this arrangement, if traffic is greatly out of balance.¹⁹ However, both Sprint United and GTEFL must believe that their agreements do cover their costs.

Sprint United witness Poag agrees that it is not possible to distinguish between local and toll traffic today and that to implement such a measurement system would require expensive software. In fact, the software proposed by Sprint United will not even distinguish between local and toll calls for compensation to be paid on a per minute of use basis. Thus, one would still have to rely on the PLU and these reports would still have to be audited.²⁰ However, a bill and keep arrangement avoids the need for expensive measurement and auditing systems.²¹

Don Wood for Time Warner, Dr. Nina Cornell for MCI Metro and Tim Devine for MFS have all recommended bill and keep for the aforementioned reasons outlined above.²² If the Commission insists upon a "payment in cash" mechanism instead, then all three parties have recommended a rate for interconnection elements be set at a level equal to the total service long run incremental cost (TSLRIC) of the incumbent LEC of providing them. Time Warner witness Wood pointed out that such a rate level leaves incumbent LECs fully compensated (including a fair return on capital) for all costs incurred as a result of offering local interconnection.²³ Such a rate design also requires the

¹⁹ Poag TR 1433

²⁰ Poag TR 1358-1359

²¹ Schleiden TR 141-142

²² Wood TR 350-353, Cornell TR 840-846, Devine TR 495-503

²³ Wood TR 388

application of imputation to avoid a price squeeze for the new entrants. Because local exchange rates for Sprint United are currently capped, it would be necessary to adjust downward any proposed interconnection charges in order for a price squeeze to be avoided.²⁴ Any imputation test imposed should be measured against the basic local service rate, not the average revenue per customer. To do otherwise would provide an incentive for new entrants to market only to customers who buy ancillary services, which is not in the public interest.²⁵

Dr. Cornell, on behalf of MCI Metro, expressed concerns with any sort of cap mechanism attached to a bill and keep arrangement. Dr. Cornell noted that she has problems with the transactions costs that might accompany a cap. Furthermore, she argued that the new entrants would have to carry a great number of minutes to get numbers big enough to warrant the resulting transactions costs. In response to a "cap" being imposed, Dr. Cornell recommended that until new entrants are exchanging 5 million minutes a month of local traffic between a single ALEC and a LEC with traffic significantly out of balance over the course of a year, such a cap approach is not worth the costs incurred to the new entrants. Thus, Dr. Cornell does not recommend that the Commission implement a cap which does not benefit consumers or promote competition.²⁶ Time Warner would also support such a recommendation in order to minimize the unnecessary implementation of transactions costs before the traffic flows warrant such an approach.

²⁴ Wood TR 387-388

²⁵ Cornell TR 898

²⁶ TR 922-924

Sprint United's proposal for a flat rate port charge based on a fixed amount of switched access minute of use, and its usage-sensitive charge, also based on switched access rates, both carry numerous problems and provide the wrong incentives. On the flat rate port proposal, a new entrant simply cannot for a long time carry a sufficient amount of traffic to make its cost per minute reasonable.²⁷ Even Sprint United's discount for the first four ports in a LATA results in prices that are prohibitive and prevent entry. Given that some interconnection will occur at end offices, and some at the tandem, the impact of the discounts is negligible.

Sprint United's and GTEFL's access charge based interconnection proposals carry with them several problems, not the least of which is the contribution-loaded price for interconnection.²⁸ With costs a small fraction of the proposed price, the amount of contribution in the access rates, particularly with Sprint United's inclusion of a line termination charge, stand to inhibit competition. MCI Metro witness Cornell agreed, and stated that based on information she has seen from other states, developing the measuring and billing system could more than double the TSLRIC of the switching function. Finally, even with the new measuring software installed, the LECs will be unable to determine the nature of terminating traffic.²⁹ Time Warner contends that the expense of measuring this traffic, sorting out the payments back and forth, the administrative costs, etc. is not worth whatever additional revenue either party

²⁷ Engleman TR 206-209

²⁸ Engleman TR 206.

²⁹ Poag TR 358

might gain. Further, Sprint United's inclusion of a line termination element,³⁰ even if Sprint United has plans to eliminate it in October 1996, is inappropriate. The line termination element is essentially a contribution element (many other LECs have eliminated it), and it should not be included in any access-based scenario.

In addition, Sprint United's proposal for a price differential between a tandem and end office location will create an incentive for ALECs to construct inefficient facilities by duplicating the LECs' network.³¹ This price reflects a historical network design that has many switches and relatively short loops. It does not take into account a network design that reflects today's costs, such as Time Warner's, with few switches and longer loops.³² In fact, because of Time Warner's network design, the LEC will be able to reach all Time Warner customers with a minimum of interconnection points. The result of Sprint United's and GTEFL's interconnection proposals, is that ALECs have the incentive to minimize costs by mirroring the architecture of the incumbents.³³

Finally, witness Poag has proposed that if Sprint United cannot distinguish between whether a call going from Sprint United's network to Time Warner's network is local or toll, that local interconnection not apply, and that originating switched access charges for toll apply. Time Warner argues that such a penalty mechanism is not necessary. Florida law requires that a company may not

³⁰ Poag TR 1312

³¹ Wood TR 377

³² Engleman TR 214

³³ Wood TR 377

knowingly terminate a call for which toll access charges would apply over a local interconnection arrangement, and that there is a course of action a company may take if it believes someone is in violation.³⁴ In addition, if "local" is defined according to the incumbent LEC's local calling areas, the ALECs are at the mercy of the numbering plan area (NPA) administrator for the provision of adequate numbering resources (see issue 14). Given this, the ALECs should not also be penalized should this local/toll distinction be maintained. GTE, in its local interconnection agreement with Intermedia, did not include a toll default mechanism, but cited the statute instead.³⁵ Time Warner believes the existing statutory language is sufficient, and that an additional mechanism is unnecessary.

2. IF THE COMMISSION SETS RATES, TERMS, AND CONDITIONS FOR INTERCONNECTION BETWEEN THE RESPECTIVE ALECS AND SPRINT UNITED, SHOULD SPRINT UNITED TARIFF THE INTERCONNECTION RATE(S) OR OTHER ARRANGEMENTS?

****TIME WARNER'S POSITION: Yes.****

There appears to be little disagreement among the parties about this issue. Tariffing the local interconnection arrangement is a good way of ensuring that it is available to all entities on a nondiscriminatory basis.³⁶

³⁴ Chapter 364.16, Florida Statutes (1995); McGrath TR 279-280

³⁵ Exhibit 19

³⁶ See, e.g. Wood TR 361

3. WHAT ARE THE APPROPRIATE TECHNICAL AND FINANCIAL ARRANGEMENTS WHICH SHOULD GOVERN INTERCONNECTION BETWEEN THE RESPECTIVE ALECS AND SPRINT UNITED FOR THE DELIVERY OF CALLS ORIGINATED AND/OR TERMINATED FROM CARRIERS NOT DIRECTLY CONNECTED TO THE RESPECTIVE ALEC'S NETWORK?

****TIME WARNER'S POSITION:** For local traffic, the LECs should provide the intermediary function at a price equal to each LEC's direct economic cost. For toll traffic, the LECs should provide the intermediary function to ALECs on the same basis that it is provided to other LECs.**

If a LATAwide termination structure is not used, local calls should terminate under a bill and keep arrangement, and ALECs should be able to transmit local traffic through the Sprint United tandems to other interconnected local service provider end offices that also subtend the Sprint United tandems. If a local/toll distinction is maintained for intraLATA traffic, toll termination should use the intraLATA Modified Access Based Compensation (MABC) plan used between LECs in Florida today. The originating company bills its end user for the toll call, and pays the terminating company switched access charges. Where one LEC serves as an intermediary, the intermediary LEC is paid tandem switching and applicable transport as well.³⁷

On interLATA toll calls, IXC traffic exchanged between the Sprint United tandem and the ALEC should be handled using industry Meet Point Billing

³⁷ McGrath TR 255-256

procedures--dual tariff, dual bill. The ALEC will bill the IXC for Carrier Common Line, Local Switching, and Transport from the tandem to its end office; the LEC will bill Tandem Switching and Transport from the IXC point of presence to the tandem. The Residual Interconnect Charge (RIC) should be kept by the end office company.

Mobile interconnect traffic exchanged via the LEC tandem will look, to both companies like local traffic. Most mobile carriers have direct connections to the LEC tandem. On originating, therefore, the ALEC would deliver traffic to the Sprint United tandem under bill and keep. On terminating, Sprint United would bill the normal cellular charges to the cellular company, and the ALEC would terminate the calls under local bill and keep.

Further, Sprint United should allow two collocated ALECs to direct connect within the Sprint United tandem, without going through the tandem switch (a "hotel" connection), charging only for rates applied for collocation, and not for switched access.³⁸

4. WHAT ARE THE APPROPRIATE TECHNICAL AND FINANCIAL REQUIREMENTS FOR THE EXCHANGE OF INTRALATA 800 TRAFFIC WHICH ORIGINATES FROM THE RESPECTIVE ALECS' CUSTOMER AND TERMINATES TO AN 800 NUMBER SERVED BY OR THROUGH SPRINT UNITED?

³⁸ McGrath TR 282

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties. The companies should deal with intraLATA 800 in the same manner as LECs do today.**

The company originating the 800 call will need to send the originating call record to the 800 number owner in order for them to bill the end user. Technically, for 800 calls originating from the ALEC, the ALEC would route its 800 traffic to its service switching point where a query is launched to the signal control point (SCP). A bill record will be generated by the SCP provider which will be sent to Sprint United, so they can bill the 800 end user customer. the ALEC should bill Sprint United originating switched access charges, an 800 query charge, and a record provisioning charge.³⁹

5a). WHAT ARE THE APPROPRIATE TECHNICAL ARRANGEMENTS FOR THE INTERCONNECTION OF THE RESPECTIVE ALECS' NETWORK TO SPRINT UNITED'S 911 PROVISIONING NETWORK SUCH THAT THE RESPECTIVE ALECS' CUSTOMERS ARE ENSURED THE SAME LEVEL OF 911 SERVICE AS THEY WOULD RECEIVE AS A CUSTOMER OF SPRINT UNITED?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time

³⁹ McGrath TR 258-259

intervals, performance standards, and service assurance warranties. There must be a cooperative effort between the ALECs and Sprint United for network configuration, standard 911 signaling, deployment, routing and alternate routing and other operational issues, so that Time Warner's customers receive the same level of access to reliable 911 as Sprint United's customers.^{40**}

Public safety concerns dictate that the provision of 911 and E911 service by ILECs and ALECs must be reliable, efficient, and, especially in a multiple company environment, reasonable for 911 administrators to accommodate. Sprint United should interconnect the ALECs' facilities at Sprint United's 911 hub sites. It must configure its 911 tandem to recognize industry standard 911 signaling for the traffic originating from the ALECs' switches. There should be a single point of contact for coordinating purposes. Sprint United should be required to provide the ALECs with reference data to assist in the configuration of interconnected 911 trunks and to ensure that 911 calls are correctly routed. Sprint United should be required to provide the ALECs with reference data to assist in 911 trunk configuration and routing. Sprint United should afford the ALECs the same level of priority service restoration it affords its own 911 trunks, and should be required to provide the ALECs at least 48 hours' notice on planned outages, and immediately on unplanned outages.⁴¹ Sprint United witness Poag has committed to dealing the ALECs in the way Sprint United deals with other LECs today on this matter.⁴²

⁴⁰ McGrath TR 259-261

⁴¹ McGrath TR 261

⁴² Poag TR 1204

5b). WHAT PROCEDURES SHOULD BE IN PLACE FOR THE TIMELY EXCHANGE AND UPDATING OF THE RESPECTIVE ALECS CUSTOMER INFORMATION FOR INCLUSION IN APPROPRIATE E911 DATABASES?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties. Sprint United should provide the LECs access to the Master Street Access Guide (MSAG) for proper 911 data entry, and mechanized update ability.**

The timely and accurate updates of 911 information is of critical importance in the 911 system's reliability. The ALECs will use the existing method in place today for transfer and update of correctly preformatted E911 datafiles according to a pre-negotiated protocol and predetermined schedule. Sprint United should be required to cooperate with the ALECs to ensure that ALEC customer data is in the proper format for inclusion in the 911 Automatic Location Identification database. Sprint United must either make the MSAG available to the ALECs or cooperate in the editing of the ALECs' customer data against the MSAG for inclusion in the ALI database(s). Sprint United should have the same standards for the ALEC as it does for itself. The ALEC's record delivery should be transmitted as frequently and as rapidly as Sprint United. As soon as possible, Sprint United should allow the ALECs' access to the same mechanized systems Sprint United uses to edit customer data against the MSAG.⁴³

⁴³ McGrath TR 261-262

6. WHAT ARE THE APPROPRIATE TECHNICAL AND FINANCIAL REQUIREMENTS FOR OPERATOR HANDLED TRAFFIC FLOWING BETWEEN THE RESPECTIVE ALECS AND SPRINT UNITED INCLUDING BUSY LINE VERIFICATION AND EMERGENCY INTERRUPT SERVICES?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties. Dedicated trunk groups will be set up in each direction between the operator service providers of the two entities, and used for busy line verification and emergency interrupt, as well as operator transfer. The companies should mutually provide these services on a bill and keep basis.**

There are three scenarios for the ALEC to provide operator services. The ALEC could self-provide, hire a third party vendor, or hire Sprint United. In either the first or second scenarios, the only connection to Sprint United for the ALEC would be an inward trunk from the ALEC local switch to the Sprint United operator services switch so a ALEC operator could contact a Sprint United operator when a local ALEC customer requires busy line verify/interrupt of a Sprint United line. Conversely, if a Sprint United subscriber has a need for verify/interrupt of an ALEC line, an inward trunk arrangement needs to be made available to the ALEC operator provider. The option is for the ALEC operator to refer or connect to the subscriber's long distance company to perform the service. The ALEC's operator service provider should be able to verify/interrupt ALEC lines without connecting to Sprint United. If the ALEC selects Sprint

United as the provider, operator services trunking would be required between the ALEC local switch and the Sprint United operator switch to perform all operator services functions.⁴⁴ Although Sprint United has suggested that busy verify and interrupt be provided between ILECs and ALECs on a tariff basis,⁴⁵ it would also be reasonable to provide on a bill and keep basis.

7. WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR THE PROVISION OF DIRECTORY ASSISTANCE SERVICES AND DATA BETWEEN THE RESPECTIVE ALECS AND SPRINT UNITED?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties. Sprint United should list and update the ALECs' listings (for the directory listings and directory assistance) in its database at no charge.**

For consumers there is tremendous value in having one set of listings for all customers in one area, for both directory assistance and directory listings. In addition, having the ALEC's directory assistance listings resident in the Sprint United database is to both parties' advantage. Sprint United maintains a complete, accurate database for their subscribers, and world, while the ALEC is able to make its listings universally available as well.⁴⁶ Although Sprint United incurs costs for entering and maintaining the ALEC data for Directory Assistance

⁴⁴ McGrath TR 263

⁴⁵ Poag TR 1208

⁴⁶ McGrath TR 264-265

(DA) purposes, it also derives revenues for those listings, through sales of the database to other entities, and through directory assistance provided to end users and through its access tariff.⁴⁷ Sprint United should be required to carry the ALEC listings in its DA database at no charge to the ALEC for these reasons.

The issues relating to directory assistance and directory listings are similar, since the customer information for both purposes is essentially the same information. Sprint United must ensure accuracy and timeliness in these listings.⁴⁸ In cross examination of Time Warner witness McGrath, Sprint United's attorney attempted to develop the theory that Sprint United currently was carrying the listings for all customers, and that what the ALECs were requesting was for Sprint United to continue to do so, even though it no longer had any revenue opportunities with those customers.⁴⁹ This assumes a static market with no growth and no opportunity for marketing efforts by the new entrants. Sprint United witness Poag stated that customer growth in Sprint United's territory was between 5% and 7% in 1995, with a rate of churn of seven or eight.⁵⁰ Further, witness Poag admitted that there were many actions a company could take which would have an effect on access line growth, such as the promotion for a second residential line in the home.⁵¹ It is reasonable to expect that new entrants will attempt to find new marketing opportunities. Clearly, the

⁴⁷ Poag TR 1373

⁴⁸ McGrath TR 264-265

⁴⁹ McGrath TR 303-304

⁵⁰ TR 1375

⁵¹ TR 1376

number of listings in Sprint United's territory will not be static. It will grow, and Sprint United will benefit from this growth.

8. UNDER WHAT TERMS AND CONDITIONS SHOULD SPRINT UNITED BE REQUIRED TO LIST THE RESPECTIVE ALECS' CUSTOMERS IN ITS WHITE AND YELLOW PAGES DIRECTORIES AND TO PUBLISH AND DISTRIBUTE THESE DIRECTORIES TO THE RESPECTIVE ALECS' CUSTOMERS?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties.. Sprint United should timely provide a single line white page listing for the ALEC's customers at no charge to either the ALEC or the end user, with a single line yellow page listing for business customers at no charge as well. In addition, information white and yellow pages should be provided by Sprint United to the ALEC, as well as directory printing, delivery, and recycling.**

A directory listing is a required part of basic local exchange service.⁵² Because of the small size of new entrants and efficiencies (lack thereof) in creating their own directories, and the convenience to customers of having one directory for a given geographic area,⁵³ Sprint United should be required to provide certain listing services to all end users regardless of their local telephone

⁵² Chapter 364.02(2), Florida Statutes.

⁵³ Poag TR 1374

company. Sprint United's witness Poag suggested that ALECs should deal directly with Sprint United's directory affiliate.⁵⁴ However, the Florida Public Service Commission does not regulate Sprint-United's directory affiliate. Although it is reasonable that Sprint United's directory affiliate would want to publish an ALEC's information pages or even white page listings, it has no obligation to do so, nor does the Commission have the authority to force it.⁵⁵ Witness Poag believes that ALECs should deal with the directory publishing company for publishing and distributing the directories, but does not also recommend that the ALECs share in the yellow page revenues received from those directories.⁵⁶ In 1994 Sprint United's gross profit on yellow pages in Florida was \$44 million.⁵⁷

For the delivery of directories, it makes the most sense for Sprint United to deliver all directories in its area. Although it may incur expense for this, it gains convenience by not having to select to which house or business not to deliver,⁵⁸ and it does receive remuneration for carrying the listings of ALECs through its yellow page ads to end users, and through sales of its listings.⁵⁹

⁵⁴ TR 1360

⁵⁵ Poag TR 1374-5

⁵⁶ TR 1205

⁵⁷ McGrath TR 281

⁵⁸ McGrath TR 308, 322

⁵⁹ McGrath TR 281, 302, 306; Poag TR 1372

9. WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR THE PROVISION OF BILLING AND COLLECTION SERVICES BETWEEN THE RESPECTIVE ALECS AND SPRINT UNITED, INCLUDING BILLING AND CLEARING CREDIT CARD, COLLECT, THIRD PARTY AND AUDIOTEXT CALLS?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties. Sprint United should provide ALECs with access to the line identification database (LIDB) in order to validate calls placed to Sprint United customers. For third party, credit card, collect, audiotext, it should treat the ALECs like other LECs today.**

If the LEC has a billing and collection arrangement with an IXC to bill end user toll traffic on the local telephone bill and the new entrant also has billing and collection contracts with that IXC, then the LEC who will receive the call detail from the IXC when a ported number is involved should be required to "clear" that traffic to the ALEC, which will bill the end user. The cost for this should be shared among Sprint United, the ALEC, and the IXC.⁶⁰ For information services, the originating carrier will act as an agent for the information service provider, and will remit the charges to the carrier offering the audiotext service, less a reasonable billing and collection fee.⁶¹

⁶⁰ McGrath 267-268

⁶¹ Devine, TR 509

10. WHAT ARRANGEMENTS ARE NECESSARY TO ENSURE THE PROVISION OF CLASS/LASS SERVICES BETWEEN THE RESPECTIVE ALECS AND SPRINT UNITED'S NETWORKS?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties. All signaling, including CCS and others, should be delivered through the Sprint United network to the ALEC network.**

The ALEC network and cluster need to be translated in all Sprint United end offices that support CLASS/LASS features. Likewise, the network and cluster of Sprint United end offices need to be translated in the ALEC's switch. In addition, both STP pairs (the ALEC's and Sprint United's) must be translated to allow an exchange of messages between end offices.⁶²

11. WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR PHYSICAL INTERCONNECTION BETWEEN THE RESPECTIVE ALECS AND SPRINT UNITED, INCLUDING TRUNKING AND SIGNALING ARRANGEMENTS?

****TIME WARNER'S POSITION:** Interconnection should be permitted wherever reasonably possible, rather than being arbitrarily limited.⁶³ Signaling networks need to be interconnected and need to pass sufficient signaling information so

⁶² McGrath TR 268, Poag TR 1209

⁶³ Cornell TR 853-854

that all of the services possible with today's technology can be offered to all customers.**

12. TO THE EXTENT NOT ADDRESSED IN THE NUMBER PORTABILITY DOCKET, DOCKET NO. 950737-TP, WHAT ARE THE APPROPRIATE FINANCIAL AND OPERATIONAL ARRANGEMENTS FOR INTEREXCHANGE CALLS TERMINATED TO A NUMBER THAT HAS BEEN "PORTED" TO THE RESPECTIVE ALECS?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties. Sprint United should develop a way to measure this traffic, or develop a surrogate for estimating it, and remit the correct switched access charges, including the RIC, to the ALEC.**

ALECs should receive all of the terminating access charges from ported calls, just as they would if the call were not ported. This includes the remittance of the residual interconnect charge (RIC) to the end office provider, as is done among ILECs in Florida today.⁶⁴ Existing number portability charges already should account for any additional transport and switching that may occur. If this information cannot be captured, a surrogate should be developed, such as the method used in Ohio, which uses ARMIS data to establish and allocation factor. An alternative is

⁶⁴ Devine TR 530

to reduce the price for some other element of interconnection to offset Sprint United's revenue windfall.⁶⁵

13. WHAT ARRANGEMENTS, IF ANY, ARE NECESSARY TO ADDRESS OTHER OPERATIONAL ISSUES?

****TIME WARNER'S POSITION:** To ensure competition, the ALECs' high quality service must not suffer because of a lack of adequate repair procedure.⁶⁶

All companies providing local service must notify other telephone companies of outages and troubles.**

Sprint United should develop mechanized systems for network monitoring to which other local providers have access. Notification and repair procedures in case of outage must be coordinated. As the ALECs and Sprint United work toward implementation of the numerous issues relating to interconnection, other issues may arise which could not be addressed at this point in the process. The companies must agree to work together toward an early resolution, with the expectation that additional documents will result. Further, there should be mechanized interfaces for order entry, service provisioning, repair services, and updating of customer-related databases.⁶⁷ In addition, Sprint United has committed to having a separate organization to provide services to ALECs.⁶⁸

⁶⁵ McGrath TR 251-252

⁶⁶ McGrath TR 262

⁶⁷ Price TR 800

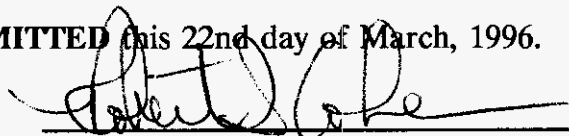
⁶⁸ Poag TR 1363

14. WHAT ARRANGEMENTS, IF ANY ARE APPROPRIATE FOR THE ASSIGNMENT OF NXX CODES TO THE RESPECTIVE ALECS?

****TIME WARNER'S POSITION:** This issue has been reasonably settled between MFS and GTEFL, although it does not yet include sufficient detail as to time intervals, performance standards, and service assurance warranties. Sprint United should sponsor the ALECs to obtain sufficient numbering resources to ensure the proper determination of local/toll calls.**

To the extent this Commission requires a usage-based intercompany compensation plan which maintains the current distinction between local versus toll, this Commission should also not tolerate Sprint United delaying or denying (even passively) the assignment of NXX codes, which the ALECs would legitimately require for proper tracking of usage for intercompany compensation. Sprint United should work with the ALECs to determine the number of NXX codes needed to accommodate the local/toll distinction, and should actively work to provide the ALECs with the needed codes.

RESPECTFULLY SUBMITTED this 22nd day of March, 1996.



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CERTIFICATE OF SERVICE
DOCKET NO. 950985-TP

I **HEREBY CERTIFY** that a true and correct copy of the Posthearing Brief of Time Warner AxS of Florida, L.P. and Digital Media Partners has been served by either *Federal Express or Hand Delivery on this 22nd day of March, 1996, to the following parties of record:

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