BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Motions of AT&T Communications of the Southern States, Inc. and MCI Telecommunications Corporation and MCI Metro Access Transmission Services, Inc. to compel BellSouth Telecommunications, Inc. to comply with Order PSC-96-1579-FOF-TP and to set non-recurring charges for combinations of network elements with BellSouth Telecommunications, Inc. pursuant to their agreement. | DOCKET NO. 971140-TP<br>ORDER NO. PSC-98-0368-PHO-TP<br>ISSUED: March 6, 1998 |

**PREHEARING ORDER**

Pursuant to Notice, a Prehearing Conference was held on February 27, 1998, in Tallahassee, Florida, before Commissioner Susan F. Clark, as Prehearing Officer.

APPEARANCES:

Nancy B. White, Esquire, 150 South Monroe Street, Suite 400 Tallahassee, Florida 32399-0850; Bennett Ross, Esquire, 675 West Peachtree Street, Suite 4300, Atlanta, Georgia 30375.
On behalf of BellSouth Telecommunications, Inc.

Tracy Hatch, Esquire, 101 North Monroe Street, Suite 700 Tallahassee, Florida 32301-1549.
On behalf of AT&T Telecommunications of the Southern States, Inc.

Richard D. Melson, Esquire, 123 South Calhoun Street, Tallahassee, Florida 32301.
On behalf of MCI Telecommunications, Inc. and MCI Metro Access Transmission Services, Inc.

Thomas K. Bond, Esquire, 780 Johnson Ferry Road, Suite 700, Atlanta, Georgia 30342.
On behalf of MCI Telecommunications Corporation.

Charles J. Pellegrini, Esquire, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.
On behalf of the Commission Staff.

## I. CASE BACKGROUND

On June 9, 1997, AT&T Communications of the Southern States (AT&T) filed a Motion to Compel Compliance of BellSouth Telecommunications, Inc., (BellSouth) with this Commission's arbitration orders.[1] On June 23, 1997, BellSouth timely filed a Response and Memorandum in Opposition to AT&T's Motion to Compel Compliance. On October 27, 1997, MCI Telecommunications, Inc. and MCI Metro Access Transmission Services, Inc., (MCIm) filed a similar Motion to Compel Compliance with Commission orders.[2] On November 3, 1997, BellSouth timely filed a Response and Memorandum in Opposition to MCIm's Motion to Compel Compliance. These motions were originally filed in consolidated Docket Nos. 960833-TP and 960846-TP.

MCIm filed a supplement to its motion December 19, 1997. AT&T filed a supplement to its motion on January 6, 1998. BellSouth filed its response to MCIm's supplement on December 24, 1997.

On August 28, 1997, MCIm filed a Petition to Set Non-Recurring Charges for Combinations of Network Elements, with reference to Order No. PSC-96-1579-FOF-TP. That petition was docketed as Docket No. 971140-TP. BellSouth filed a timely response in opposition to MCIm's motion on September 17, 1997.

By Order No. PSC-97-1303-PCO-TP, Docket Nos. 960833-TP, 960846-TP, and 960757-TP, as well as Docket No. 971140-TP, were consolidated pursuant to 47 U.S.C. Section 252(g), Telecommunications Act of 1996 (Act), and the matters were set for hearing on January 26 through 28, 1998. The Commission decided to address the issues raised by the motions to compel compliance in a

[1]Order Nos. PSC-96-1579-FOF-TP, PSC-97-0298-FOF-TP, and PSC-97-0600-FOF-TP.

[2]Order Nos. PSC-96-1579-FOF-TP,, PSC-97-0298-FOF-T, and PSC-97-0602-FOF-TP.

separate hearing at the earliest feasible time.[3] The Commission also decided that MCIm's petition in Docket No. 971140-TP would be addressed in the same hearing. Docket No. 971140-TP was then severed from Docket Nos. 960833-TP, 960846-TP, and 960757-TP, and restyled to reflect that the motions of AT&T and MCIm to compel BellSouth's compliance will be addressed in Docket No. 971140-TP.[4]

The issues to be resolved in Docket No. 971140-TP are set for hearing March 9, 1998. March 20, 1998, has been reserved for a continuance if necessary.

## II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 364.183(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, Florida Statutes, shall

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[3]Order No. PSC-97-1583-PCO-TP.

[4]Order No. PSC-98-0090-PCO-TP.

notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.

3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.

5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting confidential files.

III. POST-HEARING PROCEDURES

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

IV. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

V. ORDER OF WITNESSES

| WITNESS | APPEARING FOR | ISSUE NO. |
|---|---|---|
| DIRECT & REBUTTAL | | |
| Chip Parker | MCIm | 1, 2, 3, 7, 9 |
| Thomas Hyde | MCIm | 8 |
| David Eppsteiner | AT&T | 4(a), 4(b), 5, 6, 10 |
| Richard Walsh | AT&T | 8 |
| Joseph Gillan | AT&T & MCIm | 3, 5, 6, 7, 9 |
| R.K. Young | Staff | 8 |
| A.J. Varner | BellSouth | 1-10 |
| Jerry Hendrix | BellSouth | 1-10 |
| Eno Landry | BellSouth | 8 |
| D. Daonne Caldwell* | BellSouth | 8 |
| REBUTTAL | | |
| Ron Martinez | MCIm | 1, 2, 7, 9 |
| Robert V. Falcone | AT&T | 5, 6 |

***Will be advanced if necessary to catch 6pm flight.**

V. BASIC POSITIONS

**BELLSOUTH:**

Following the passage of the Telecommunications Act of 1996 ("the Act"), BellSouth negotiated in good faith with a number of potential local service providers. Many of those negotiations were successfully concluded with the signing of interconnection agreements between the parties. As of October 30, 1997, BellSouth had signed approximately 240 interconnection and/or resale agreements with a variety of companies in BellSouth's region, with approximately 130 applicable to Florida. For AT&T and MCI, the negotiations resulted in petitions for arbitration. Specifically, the Commission arbitrated issues between BellSouth and these companies and issued orders.

In the arbitration proceedings, the Commission ordered prices for UNEs and interconnection to be based on BellSouth's Total Service Long Run Incremental Cost ("TSLRIC") studies. The Commission set permanent rates, with the exception of those functions for which BellSouth did not provide a TSLRIC study. In those instances, the Commission set interim rates based on either the Hatfield study results with modifications or BellSouth's tariff. The Commission found that TSLRIC is the "appropriate costing methodology". (December 31, 1996 Final Order on Arbitration for consolidated Docket Nos. 960833-TP (AT&T), 960846-TP (MCI), 960916-TP (ACSI), at page 33.

On June 9, 1997 and October 27, 1997, AT&T and MCI filed Motions to Compel Compliance with the Arbitration orders. In addition, MCI filed a Petition to Set Non-Recurring Charges for Combinations of Network Elements. By Order No. PSC-98-0090-PCO-TP, the Commission severed these proceedings from the original arbitration dockets.

At the time this Commission approved the MCI and AT&T interconnection agreements with BellSouth (June of 1997), the pricing provisions of the FCC's Interconnection Rules established in CC Docket No. 96-98 (FCC's Rules) were stayed by the United States Court of Appeals for the Eighth Circuit ("Eighth Circuit"). However, the FCC's Rules that required BellSouth to provide combinations of UNEs to alternative local exchange companies ("ALECs") remained in effect. Due to the Eighth Circuit's October 15, 1996 stay, the Commission could set prices for UNEs and any UNE combinations without guidance from the FCC. The Commission, however, specifically did not rule on the price of UNE combinations within the proceedings that ultimately produced the arbitrated agreements between BellSouth and MCI and BellSouth and AT&T.

On July 18, 1997, the Eighth Circuit vacated the FCC's pricing rules affirming that state commissions held jurisdiction over intrastate pricing. In addition, the Eighth Circuit ruled that incumbent local exchange companies ("ILECs"), such as BellSouth, did not have to combine UNEs for ALECs, ruling that it is the ALEC's responsibility to perform the combination function. The Eighth Circuit stated in its Order under Section II.G.1.f, "while the Act requires incumbent LECs to provide elements in a manner that enables the competing carriers to combine them, unlike the Commission, we do not believe that this language can be read to levy a duty on the incumbent LECs to do the actual combining." On October 14,

1997, the Eighth Circuit reiterated its July 18, 1997 decision with regard to the combination of UNEs stating that the Telecommunications Act of 1996 (the "Act"), "does not permit a new entrant to purchase the incumbent LEC's assembled platform(s) of combined network elements (or any lesser existing combination of two or more elements) in order to offer competitive telecommunications services." The Eighth Circuit was very specific that requesting carriers will combine the unbundled elements themselves.

On January 16, 1998 the United States Supreme Court ("Supreme Court") granted certiorari to review the Eighth Circuit's decision regarding pricing including recombination of network elements. Nevertheless, with respect to the interconnection agreements BellSouth signed with MCI and AT&T, language requiring BellSouth to combine UNEs will remain in those agreements only until such time as the Supreme Court has completed its review, assuming the Supreme Court upholds the Eighth Circuit's decision. The interconnection agreements today contain language requiring that, should "... any final and nonappealable legislative, regulatory, judicial or other legal action materially affect any material terms of the Agreements, the parties will renegotiate mutually acceptable terms as may be required." (emphasis added) Therefore, assuming the issues now before the Supreme Court become final, BellSouth will, at that time, renegotiate with MCI and AT&T the portion of the agreements relating to combinations of UNEs.

Currently, language in the interconnection agreements obligates BellSouth to provide combined UNEs. However, the interconnection agreements do not contain the price that BellSouth will charge for combining UNEs during the period before the Eighth Circuit's decision is final.

Throughout the numerous arbitration proceedings in the BellSouth region, including BellSouth's Petition for Reconsideration in the MCI and AT&T arbitration proceedings in Florida, BellSouth's policy has been that when BellSouth combines UNEs for an ALEC that recreate existing BellSouth services, those combinations should be priced at the retail service rate minus the applicable wholesale discount.

**AT&T:**

The questions faced by the Commission in this proceeding will determine when or even whether there will be an opportunity for new entrants to effectively compete with BellSouth in any commercially significant manner. The clear and unambiguous language of the Interconnection Agreement between AT&T and BellSouth as approved by the Commission indicates that BellSouth must provide UNEs on a stand-alone basis or in combination at the rates set forth in the Agreement, regardless of whether any combinations of elements recreate or duplicate a BellSouth service. There is no basis in the Interconnection Agreement, the Commission's orders, the 8th Circuit's decisions, or the Telecom Act of 1996 to suggest that the prices of combinations of UNEs could be priced at anything other than the cost-based UNE rates established by the Commission. Moreover, it is not practically possible for an entrant to fully recreate a BellSouth Service.

**MCI:** The MCI/BellSouth Interconnection Agreement (the "Agreement") directly and unambiguously decides the issues in this case. The Agreement specifically gives MCI the right to order UNE combinations and specifically obligates BellSouth to provide such combinations. The Agreement prohibits BellSouth from disconnecting elements ordered in combination and prohibits BellSouth from charging a glue charge for combining elements. The Agreement specifies how the prices for combinations of UNEs are determined - the price for UNE combinations is the price of the individual UNEs minus duplicate charges and charges for services not needed. The Agreement makes no distinction between different types of combinations for purposes of this pricing. When MCIm orders migrations of existing BellSouth customers to loop/port combinations, almost all of the charges contained in the nonrecurring charges for the stand-alone UNEs are duplicate charges and charges for services not needed. Finally, the Agreement specifically requires BellSouth to provide usage data to MCI.

**STAFF:**

Staff believes the interconnection agreements of AT&T and MCI with BellSouth set prices for UNE's ordered in combinations. Staff further believes that under the agreements BellSouth must provide AT&T and MCI with detailed usage data.

In addition, Staff believes that the pricing standard for unbundled network elements used to recreate a service is the sum of the rates for each element. The standard for retail services purchased for resale is the retail rate less the wholesale discount. Staff believes that the non-recurring rates for migrating an existing customer's loop and port should be based only on the cost associated with that transition.

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

## VI. ISSUES AND POSITIONS

**ISSUE 1:** Does the BellSouth-MCIm interconnection agreement specify how prices will be determined for combinations of unbundled network elements

(a) that do not recreate an existing BellSouth retail telecommunications service?
(b) that do create an existing BellSouth retail telecommunications service?

**POSITION:**

**BELLSOUTH:**

No. The BellSouth-MCIm Interconnection Agreement specifies prices for individual network elements. The Agreement does not specify how combinations of unbundled network elements should be priced.

**AT&T:**

a) No position.
b) No position.

**MCI:** a) Yes, the Agreement does specify how the prices for combinations of UNEs will be determined. The Agreement makes

no distinction between combinations which allegedly recreate an existing BellSouth retail telecommunications service and those that do not.

b) Yes, the Agreement does specify how the prices for combinations of UNEs will be determined. The Agreement makes no distinction between combinations which allegedly recreate an existing BellSouth retail telecommunications service and those that do not.

**STAFF**:

(a) Yes.
(b) Yes.

**ISSUE 2**: If the answer to either part or both parts of Issue 1 is yes, how is the price(s) determined?

**POSITION**:

**BELLSOUTH**:

The prices for combinations of unbundled network elements are not contained in the BellSouth-MCIm Interconnection Agreement.

**AT&T**:

No position.

**MCI**: The price for a UNE combination is the sum of the stand-alone prices of the network elements which make up the combination. The Agreement recognizes, however, that this combined price may include duplicate charges and charges for services which are not needed when the elements are combined. Therefore, MCIm is entitled to request, and BellSouth is obligated to provide, prices for combinations which do not include duplicate charges or charges for services not needed when the elements are combined. The appropriate method for determining this combination price would be to remove from the stand-alone UNE prices all duplicate charges and all charges for services which are not need when the elements are combined.

**STAFF**:

For Issue 1(a), their Agreement requires BellSouth to provide network elements as defined in 47 C.F.R. §51.319 to MCIm individually or combined at the prices for the individual elements established by the Commission in Order No. PSC-96-1579-FOF-TP and set forth in the Agreement in Attachment 1, Table 1. The prices for combinations of network elements should be determined as the sum of the prices of the individual elements comprising the combination, subject to true-up upon the establishment in this proceeding of non-recurring charges for combinations free of duplicate and unnecessary charges.

For Issue 1(b), staff's position is the same as Issue 1(a).

**ISSUE 3**: If the answer to either part or both parts of Issue 1 is no, how should the price(s) be determined?

**POSITION**:

**BELLSOUTH**:

Prices for unbundled network element combinations that do not recreate an existing BellSouth retail service should be negotiated between the parties. Unbundled network element combinations that recreate an existing BellSouth retail service should be priced at the retail price of that service minus the applicable wholesale discount.

**AT&T**:

No position

**MCI**: Since the answer to both parts of Issue #1 is yes, this Issue is not applicable.

**STAFF**:

See staff position in Issue 1.

**ISSUE 4**: Does the BellSouth-AT&T interconnection agreement specify how prices will be determined for combinations of unbundled network elements

(a) that do not recreate an existing BellSouth retail telecommunications service?

(b) That do create an existing BellSouth retail telecommunications service?

**POSITION**:

**BELLSOUTH**:

No. The BellSouth-AT&T Interconnection Agreement does not specify how combinations of unbundled network elements should be priced. The Agreement only specifies prices for individual network elements.

**AT&T**:

a) The clear and unambiguous language of the Interconnection Agreement between AT&T and BellSouth as approved by the Commission indicates that BellSouth must provide UNEs on a stand-alone basis or in combination at the rates set forth in the Agreement, regardless or whether any combinations of elements recreate or duplicate a BellSouth service.

b) The clear and unambiguous language of the Interconnection Agreement between AT&T and BellSouth as approved by the Commission indicates that BellSouth must provide UNEs on a stand-alone basis or in combination at the rates set forth in the Agreement, regardless or whether any combinations of elements recreate or duplicate a BellSouth service.

**MCI**: a) No position.
b) No position.

**STAFF**:

(a) Yes.
(b) Yes.

**ISSUE 5**: If the answer to either part or both parts of Issue 4 is yes, how is the price(s) determined?

**POSITION**:

**BELLSOUTH**:

The prices for combinations of unbundled network elements are not contained in the BellSouth-AT&T Interconnection Agreement.

**AT&T**:

The prices for UNE combinations are the cost-based UNE rates established by the Commission and as set forth in the AT&T/BellSouth Interconnection Agreement regardless of whether such combinations recreated a BellSouth service. There is no basis in the Interconnection Agreement, the Commission's orders, the 8th Circuit's decisions, or the Telecom Act of 1996 to suggest that the prices of combinations of UNEs could be priced at anything other than the cost-based UNE rates established by the Commission. See Issue 6.

**MCI**: No position.

**STAFF**:

For Issue 4(a), their Agreement requires BellSouth to provide network elements as defined in 47 C.F.R. §51.319 to AT&T individually or combined at the prices for the individual elements established by the Commission in Order No. PSC-96-1579-FOF-TP. The Agreement requires BellSouth to provide AT&T with access to its network for purpose of combining network elements in order to provide telecommunications services if AT&T purchases the elements individually. The prices for combinations of network elements provided by BellSouth should be determined as the sum of the prices of the individual elements comprising the combination, plus a charge reflecting the cost of combining where the elements are not already combined, subject to true-up upon the establishment in this proceeding of non-recurring charges for combinations free of duplicate and unnecessary charges.

For Issue 4(b), staff's position is the same as Issue 4(a).

**ISSUE 6**: If the answer to either part or both parts of 4 is no, how should the price(s) be determined?

**POSITION**:

**BELLSOUTH**:

Prices for unbundled network element combinations that do not recreate an existing BellSouth retail service should be negotiated between the parties. Unbundled network element combinations that recreate an existing BellSouth retail service should be priced at the retail price of that service minus the applicable wholesale discount.

**AT&T**:

The prices for UNE combinations are the cost-based rates established by the Commission and as set forth in the AT&T/BellSouth Interconnection Agreement regardless of whether such combinations recreate a BellSouth service. There is no basis in the Interconnection Agreement, the Commission's orders, the 8th Circuit's decisions, or the Telecom Act of 1996 to suggest that the prices of combinations of UNEs could be priced at anything other than the cost-based UNE rates established by the Commission.

**MCI**: No position.

**STAFF**:

See staff position in Issue 4.

**ISSUE 7**: What standard should be used to identify what combinations of unbundled network elements recreate existing BellSouth retail telecommunications services?

**POSITION**:

**BELLSOUTH**:

The Commission must analyze the core functions, features, and attributes of the requested combination to determine if those functions, features and attributes mirror the functions of an existing retail offering.

**AT&T**:

It is not practically possible for an entrant to fully recreate a BellSouth Service. Moreover, any such distinction is irrelevant to the question of the appropriate prices to be charged for UNE combinations.

**MCI**: There is no need to identify any standards since the Agreement makes no distinction between combinations which allegedly recreate a BellSouth retail service and those that do not. Further, an ALEC service using UNE combinations never recreates a BellSouth retail service. Finally, the only circumstance that the Commission ever expressed a concern about was using all BellSouth UNEs to recreate a complete BellSouth retail service. Clearly, no complete BellSouth retail service can be created using just a loop/port combination. In any event, the Eighth Circuit Court of Appeals has specifically rejected the ILECs' resale argument and has affirmed the right of ALECs to provide complete telecommunications services using all BellSouth UNEs.

**STAFF**:

The pricing standard for unbundled network elements used to recreate a service is the sum of the rates for each element. The standard for retail services purchased for resale is the retail rate less the wholesale discount.

**ISSUE 8**: What is the appropriate non-recurring charge for each of the following combinations of network elements for migration of an existing BellSouth customer:

(a) 2-wire analog loop and port;
(b) 2-wire ISDN loop and port;
(c) 4-wire analog loop and port; and
(d) 4-wire DS1 and port?

**POSITION**:

**BELLSOUTH**:

BellSouth proposes that prices that cover total cost be set for these combinations. BellSouth's proposed Non-recurring Charges, as set forth in AJV-2, do not include duplicate

charges or charges for functions or activities that are not required when two or more network elements are combined in a single order.

**AT&T**:

The appropriate rates for the above items are set forth in the testimony of John P. Lynott as adopted by Richard Walsh.

**MCI**: The appropriate non-recurring charges are as follows:

| | | | |
|---|---|---|---|
| a) | 2-Wire Analog | -First<br>-Additional | $1.6755<br>$1.3598 |
| b) | 4-Wire Analog | -First<br>-Additional | $1.6389<br>$1.3232 |
| c) | 2-Wire ISDN | -First<br>-Additional | $3.8319<br>$3.5162 |
| d) | DS-1 | -First<br>-Additional | $32.6134<br>$32.0454 |

**STAFF**:

The non-recurring rates for migrating an existing customer's loop and port should be based only on the cost associated with that transition.

**ISSUE 9**: Does the BellSouth-MCIm interconnection agreement require BellSouth to record and provide MCIm with the switched access usage data necessary to bill interexchange carriers when MCIm provides service using unbundled local switching purchased from BellSouth either on a stand-alone basis or in combination with other unbundled network elements?

**POSITION**:

**BELLSOUTH**:

The BellSouth-MCIm Interconnection Agreement requires BellSouth to record all billable usage events and send the appropriate recording data to MCI. This does not include intrastate interLATA data.

**AT&T**:

No position.

**MCI**: Yes. BellSouth is required to record the usage data and send it to MCIm in the appropriate format.

**STAFF**:

Yes. BellSouth should provide MCIm with the appropriate usage data for all billable calls for all types of calls (including calls involving switched access service) made by MCIm customers through unbundled network elements, pursuant to 47 C.F.R. §51.319(f) and Attachment III, Section 7.2.1.9 of their Agreement.

**ISSUE 10**: Does the AT&T-BellSouth interconnection agreement require BellSouth to record and provide AT&T with detail usage data for switched access service, local exchange service and long distance service necessary for AT&T to bill customers when AT&T provides service using unbundled network elements either alone or in combination?

**POSITION**:

**BELLSOUTH**:

The BellSouth-AT&T Interconnection Agreement requires that BellSouth record all billable usage events and send the appropriate recording data to AT&T. This does not include intrastate interLATA data.

**AT&T**:

The Interconnection Agreement clearly requires BellSouth to provide the data needed by AT&T to appropriately bill its customers.

**MCI**: No position.

**STAFF:**

Yes. BellSouth should provide AT&T with testing of ordering, provisioning and billing pursuant to 47 C.F.R. §51.319(f) and Attachment 7, Sections 1, 2 and 3, of their Agreement.

VII. EXHIBIT LIST

| WITNESS | PROFFERED BY | I.D. NUMBER | DESCRIPTION |
|---|---|---|---|
| A.J. Varner | BellSouth | (AJV-1) | Florida Retail, Resale and Rebundling Comparisons |
| | | (AJV-2) | Florida Rate and Cost Analysis |
| Eno Landry | BellSouth | (EL-1) | Views of End User of BellSouth and ALEC Service |
| D. Daonne Caldwell | BellSouth | (DDC-1) | TSLRIC Plus Shared and Common |
| David Eppsteiner | AT&T | (DE-1) | Excerpts from the AT&T/BellSouth Interconnection Agreement |
| David Eppsteiner (Rebuttal) | AT&T | (DE-1) | Illustration of Types of Usage Data |
| Joseph P. Gillan | AT&T | (JPG-1) | Comparison of Service Resale and Network Element-Based Competition |
| *Richard Walsh | AT&T | (JPL-1) | Direct Testimony filed 11/13/97 |

| WITNESS | PROFFERED BY | I.D. NUMBER | DESCRIPTION |
|---|---|---|---|
| *Richard Walsh | AT&T | (JPL-2) | Rebuttal Testimony filed 12/09/97 |
| | | (JPL-3) | Florida NRCM 2.1 Service Type |
| | | (JPL-4) | Florida NRCM 2.0 Price Proposal |
| | | (JPL-5) | AT&T/MCI Non-Recurring Cost Model (NCRM) Release 2.0 |
| | | (JPL-6) | Nonrecurring Cost Technical Assistance Binder (NATB) |
| | | (RJW-1) | Adjusted BellSouth NRC Rates for Migration of Loop/Port Combinations |
| Robert V. Falcone | AT&T | (RVF-1) | Letter from Sanders to Carrol |
| | | (RVF-2) | Loop and Switch Chart |
| | | (RVF-3) | BellSouth Collocation Handbook |
| | | (RVF-4) | Two Alternatives to Collocation |
| Chip Parker | MCI | (CP-1) | MCI/BST Interconnection Agreement (too voluminous to copy) |

| WITNESS | PROFFERED BY | I.D. NUMBER | DESCRIPTION |
|---|---|---|---|
| Chip Parker | MCI | (CP-2) | Excerpts from MCI/BST Interconnection Agreement |
| Thomas A. Hyde | MCI | (TAH-1) | Nonrecurring Cost Development-2-wire analog loop and port |
| | | (TAH-2) | Nonrecurring Cost Development-4-wire analog loop and port |
| | | (TAH-3) | Nonrecurring Cost Development-2-wire ISDN loop and port |
| | | (TAH-4) | Nonrecurring Cost Development-4-wire DS1 and port |
| Ron Martinez | MCI | (RM-1) | Letter from BST dated 1/31/97 and Excerpts from Draft Interconnection Agreement |
| Ruth K. Young | Staff | (RKY-1) | Auditor's Report |
| | | (RKY-2) | 46-3 Series Workpapers |
| | | (RKY-3) | 44 Series Workpapers (selected) |

***Richard Walsh will be adopting the Direct testimony of John P. Lynott.**

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

There are no stipulations at this time.

IX. PENDING MOTIONS

There are no pending motions at this time.

X. RULINGS

1. The testimony of witnesses with direct and rebuttal testimony will be consolidated for presentation at one time. Witnesses with only rebuttal testimony will follow those witnesses with only direct or with direct and rebuttal testimony.

It is therefore,

ORDERED by Commissioner Susan F. Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Susan F. Clark, as Prehearing Officer, this 6th day of March, 1998.

Susan F Clark

SUSAN F. CLARK
Commissioner and Prehearing Officer

( S E A L )

CJP

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.