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August 12, 1996

## BY HAND DELIVERY

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

ACK  Re: Docket No. 960838-TP

AFA  Dear Ms. Bayo:

APP   
CAF  Enclosed for filing in the above-styled docket are the  
original and fifteen (15) copies of Sprint-United and Sprint-  
CML  Centel's Response to Petition for Arbitration.

CTR  Please acknowledge receipt and filing of the above by stamping  
EAG  the duplicate copy of this letter and returning the same to this  
writer.


LEG   
LIN  Thank you for your assistance in this matter.

OPC  RECEIVED & FILED

RCH   
SEC  U.  
WAS  EPSC-BUREAU OF RECORDS

OTH  Enclosures  
cc: All parties of record

Yours truly,

  
John P. Fons

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DOCUMENT NUMBER-DATE

08426 AUG 12 96

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In the matter of )  
 )  
MFS COMMUNICATIONS COMPANY, )  
INC. )  
 )  
Petition for Arbitration )  
Pursuant to 47 U.S.C. § 252(b) )  
of Interconnection Rates, )  
Terms, and Conditions with )  
 )  
SPRINT UNITED-CENTEL OF )  
FLORIDA, INC. (also known as )  
CENTRAL TELEPHONE COMPANY OF )  
FLORIDA AND UNITED TELEPHONE )  
COMPANY OF FLORIDA) )  
\_\_\_\_\_ )

DOCKET NO. 960838-TP  
Filed: August 12, 1996

RESPONSE TO PETITION FOR ARBITRATION

Subject to its Motion to Dismiss and pursuant to Section 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996,<sup>1</sup> United Telephone Company of Florida, Inc. ("Sprint-United") and Central Telephone Company of Florida, Inc. ("Sprint-Centel") (together "Sprint" or the "Companies") respond as follows to the Petition filed by MFS Communications Company, Inc. ("MFS") on July 17, 1996:<sup>2</sup>

<sup>1</sup> Pub.L.No. 104-104 § 101(a), 110 Stat. 70 to be codified at 47 U.S.C. § 252(b). The Communications Act of 1934, as amended by the Telecommunications Act of 1996, is referred to herein as the 1996 Act.

<sup>2</sup> The Companies note that the style of the Petition refers to "Sprint United-Centel of Florida, Inc.," a legal entity that does not exist. The Companies have interpreted the petition to relate to United Telephone Company of Florida and Central Telephone Company of Florida, two separate legal entities, both of which are certificated local exchange companies and both of which are under common ownership, management and control.

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A.

Caveat: the FCC Order

1. On August 1, 1996, the Federal Communications Commission ("FCC") rendered its decision in CC Docket No. 96-98, In re: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996. The resulting rules were contained in an order issued August 8, 1996, which consists of more than 700 pages. That order and the policies reflected in it are important because they reflect the FCC's view of local competition issues such as the ones raised in MFS's petition.

2. The FCC Order is voluminous and complex. For parties like Sprint and MFS, who have not reached an interconnection agreement, the FCC Order may have a significant impact on the negotiations between the parties. For this Commission, which has been requested by MFS to arbitrate the disputes between MFS and the Companies, the FCC Order is equally important, because it contains principles and policies that should be considered by the FPSC as it renders its decision in this docket.

3. This response is being filed contemporaneously with Sprint's direct testimony and a Motion to Dismiss. As of the filing of this response, Sprint has had inadequate time to study and evaluate the FCC Order. This response and the related filings represent Sprint's good faith effort to respond to the Petition. As the Companies complete their review of the FCC Order and negotiations proceed, the Companies reserve the right to change

their positions and/or raise new issues as may be appropriate under the circumstances.

B.

**Basic Position**

The Petition and testimony filed by MFS identify numerous unresolved issues; however, the Petition and testimony overstate the level of disagreement between the parties. While Sprint has not signed MFS's Comprehensive Interconnection Agreement, it nevertheless agrees with MFS on many issues. There are really only two major disagreements between the parties, those being the rate(s) for interconnection and the rates for unbundling. Sprint's positions on all of the unresolved issues are set forth below.

C.

**Responses to Allegations in Petition**

With respect to the allegations in the Petition, Sprint responds as follows:

1. The Companies are without knowledge of the allegations in paragraphs 1 and 2.

2. With the clarification that Sprint-United and Sprint-Centel are two separate legal entities under common ownership, management and control, and that under the law there are no more "monopoly provider[s] of local exchange services," the Companies admit the allegations in paragraph 3.

3. The Companies admit the allegations in paragraphs 4 through 6.

4. The Companies admit that the Unbundling and Interconnection Orders were issued, but deny any characterization of those Orders in paragraph 7. The Orders speak for themselves.

5. The Companies admit the allegations in paragraphs 8 through 12.

6. To the extent that paragraph 13 implies that the parties have not agreed on anything during their negotiations, Sprint denies paragraph 13.

7. The Companies admit that the allegations in paragraph 14 reflect MFS's position in this docket.

8. The Companies admit that the allegations in paragraph 15 appear to be an accurate list of what is contained within and what accompanies the MFS Petition. Sprint notes that its positions on the issues in this case are set forth in the Model Agreement attached hereto as Exhibit "A", its testimony, and its Motion to Dismiss. Sprint's overall position is that the Commission should resolve the "unresolved issues" in this case by rendering a decision that is consistent with the terms and conditions contained in the Model Agreement.

9. With respect to the list of "unresolved issues" identified in Section I, Paragraphs A-M, of the Petition, Sprint responds as follows: Sprint admits that subparagraphs 1 and 2 of each of the lettered paragraphs in Section I of the Petition reflect MFS's view of the nature of the unresolved issues and their position on those issues. Sprint denies MFS's characterization of Sprint's position on the issues and notes that Sprint's view of the

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nature of the unresolved issues and its position on those issues is contained in the Direct Testimony, Motion to Dismiss and Model Agreement being filed contemporaneously with this Response.

10. The Companies note that the Petition did not contain a Section "II" and, therefore, Sprint has no response to Section II.

11. With respect to Section III of the Petition, Sprint notes that its Statement of Other Issues in Dispute is included in Section D of this Response, but otherwise denies Section III of the Petition.

D.

Other Unresolved Issues

In addition to the issues listed in Section I of the Petition, Sprint alleges that the following additional issues are unresolved between the parties:

None identified at this time. Sprint reserves the right to raise additional unresolved issues as negotiations between the parties and its review of the FCC Order proceeds.

E.

Defenses

MFS's request for the Commission to impose a stipulated damages provision on the parties is unlawful because: (a) the request is beyond the allowable scope of arbitration under the 1996 Act, (b) the FPSC does not have the jurisdiction under state or federal law to impose what is tantamount to money damages, and (c)

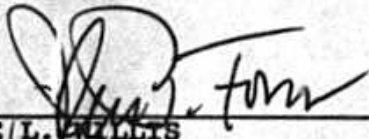
the proposed liquidated damages provision constitutes an unlawful penalty under Florida law.

F.

**Other**

All allegations in the Petition not specifically admitted are hereby denied.

Dated this 12th day of August, 1996.



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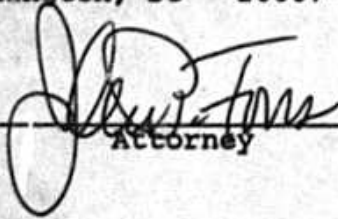
ATTORNEYS FOR CENTRAL TELEPHONE  
COMPANY OF FLORIDA AND UNITED  
TELEPHONE COMPANY OF FLORIDA

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail, hand delivery (\*) or overnight express (\*\*) this 12th day of August, 1996, to the following:

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\_\_\_\_\_  
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