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July 15, 1994



Mrs. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 101 East Gaines Street Tallahassee, Florida 32399

Re: Docket No. \$21074-TP

Dear Mrs. Bayo:

Enclosed for filing in the above referenced docket are an original and fifteen (15) copies of the Supplemental Direct Testimony of Mike Guedel on behalf of AT&T Communications of the Southern States, Inc. Copies of the foregoing are being served on all parties of record in accordance with the attached Certificate of Service.

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Yours truly,

Michael W. Tye

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

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

IN RE: EXPANDED INTERCONNECTION DOCKET NO. 921074-TP

PHASE II AND LOCAL TRANSPORT RESTRUCTURE

SUPPLEMENTAL DIRECT

TESTIMONY

OF

MIKE GUEDEL

ON BEHALF OF AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.

JULY 15, 1994

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

1	Q.	WILL YOU PLEASE IDENTIFY YOURSELF?
2		
3	A.	My name is Mike Guedel and my business address is AT&T
4		1200 Peachtree Street, NE, Atlanta, Georgia, 30309. I
5		am employed by AT&T as Manager-Network Services
6		Division.
7		
8		
9	Q.	PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK
10		EXPERIENCE.
11		
12	A.	I received a Master of Business Administration with a
13		concentration in Finance from Kennesaw State College,
14		Marietta, Georgia in 1994. I received a Bachelor of
15		Science degree in Business Administration from Miami
16		University, Oxford, Ohio. Over the past years, I have
17		attended numerous industry schools and seminars
18		covering a variety of technical and regulatory issues.
19		I joined the Rates and Economics Department of South
20		Central Bell in February of 1980. My initial
21		assignments included cost analysis of terminal
22		equipment and special assembly offerings. In 1982, I
23		worked on access charge design and development. From
24		May of 1983 through September of 1983, as part of an
25		AT&T task force, I developed local transport rates for

the initial NECA interstate access filing. Post divestiture, I remained with South Central Bell with specific responsibility for cost analysis, design, and development relating to switched access services and intraLATA toll. In June of 1985, I joined AT&T, assuming responsibility for cost analysis of network services including access charge impacts for the five South Central States (Alabama, Kentucky, Louisiana, Mississippi, and Tennessee).

12 Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES.

A.

My current responsibilities include directing analytical support activities necessary for intrastate communications services in Florida and other southern states. This includes detailed analysis of access charges and other LEC filings to assess their impact on AT&T and its customers. In this capacity, I have represented AT&T through formal testimony before the Florida Public Service Commission, as well as the regulatory commissions in the states of South Carolina and Georgia.

1	Q.	ARE YOU THE SAME MIKE GUEDEL WHO FILED DIRECT TESTIMONY
2		IN THIS PROCEEDING ON MAY 23, 1994 AND REBUTTAL
3	100	TESTIMONY ON JUNE 27, 1994?
4		
5	A.	Yes.
6		
7		
8	۵.	WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT
9		TESTIMONY?
10		
11	A.	The purpose of my supplemental direct testimony is to
12		present AT&T's positions regarding expanded
13		interconnection in light of the U.S. Court of Appeals
14		decision vacating the Federal Communications Commission
15		(FCC) prescription for mandatory physical collocation.
16		
17		
18	Q.	PLEASE DESCRIBE THE EFFECT OF THE U.S. COURT OF APPEALS
19		RULING OF JUNE 10, 1994 REGARDING THE FCC'S
20		PRESCRIPTION FOR EXPANDED INTERCONNECTION.
21		
22	A.	Through its decision, the Court of Appeals vacated the
23		mandatory "physical collocation" provision of the FCC's
24		expanded interconnection order, and remanded the
25		concept of "virtual collocation" to the FCC for further

1		review and consideration. Therefore, at this point,
2		there is no FCC (interstate) policy regarding
3		collocation. The FCC is expected to formulate a new
4		policy, but the time frame for the completion of that
5		work has not been announced.
6		
7		
8	Q.	SHOULD THE COMMISSION MODIFY ITS PHASE I ORDER IN LIGHT
9		OF THE DECISION ISSUED BY THE U.S. COURT OF APPEALS FOR
10		THE D.C. CIRCUIT ON JUNE 10, 1994?
11		
12	A.	Yes. In Phase I of this docket, the Florida Public
13		Service Commission adopted a mandatory physical
14		collocation standard consistent with that of the FCC.
15		The decision of the court renders the Phase I ruling
16		inconsistent with whatever the interstate policy
17		becomes and sets it up for possible similar legal
18		challenges. For these reasons, the Commission needs to
19		reconsider its order in Phase I.
20		
21		However, because there are advantages to having a
22		consistent standard across the state and interstate
23		jurisdictions, the Commission should defer the
24		modification of its phase I order until the FCC has
25		established a new interstate policy. That policy

1		should serve as a useful guide to the development of ar
2		intrastate standard.
3		
4		
5	Q.	SHOULD THE COMMISSION CONTINUE TO ENCOURAGE PHYSICAL
6		COLLOCATION?
7		
8	A.	Yes. Expanded interconnection (collocation) is
9		designed to facilitate the beginning of competition
10		within the monopoly preserves of the local exchange
11		companies. Because "physical collocation" most closely
12		duplicates the connecting arrangements of the incumbent
13		monopolist, it offers the greatest hope for the
14		development of some competition. Other forms of
15		interconnection arrangements offer less promise.
16		
17		
18	Q.	SHOULD THE LECS BE GRANTED ADDITIONAL PRICING
19		FLEXIBILITY IN CONJUNCTION WITH EXPANDED
20		INTERCONNECTION?
21		
22	A.	Additional pricing flexibility (zone density pricing)
23		was originally granted to the LECs by this Commission
24		in Phase I of this Docket concurrent with the mandate
25		for physical collocation. Through those proceedings.

1		the LECs convinced the Commission that expanded
2		interconnection would offer a competitive threat
3		significant enough to justify this pricing flexibility.
4		AT&T did not oppose the "zone density pricing"
5		arrangements ultimately approved by this Commission.
6		
7		To the extent that LEC interconnection tariffs continue
8		to meet the requirements of the Phase I order (and the
9		original FCC order in CC Docket 91-141) including all
10		requirements for physical collocation, AT&T will not
11		oppose pricing flexibility similar to that granted by
12		this Commission in Phase I of this Docket. However, if
13		a LEC's tariff does not meet the Phase I requirements,
14		then additional pricing flexibility should not be
15		considered.
16		
17		
18	Q.	DOES THIS CONCLUDE YOUR TESTIMONY?
19		
20	A.	Yes.
21		
22		
23		
24		
25		

CERTIFICATE OF SERVICE

DOCKET NO. 921074-TP

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