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July 27, 1994

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
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HAND DELIVERY

Re: Docket No. 921074-TP, et al.

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket are the following documents:

1. Original and fifteen copies of the Prehearing Statement of Teleport Communications Group, Inc.;

ACK 2. A disk in Word Perfect 5.1 containing a copy of the document entitled "Tele.Pre."; and,

AFA
APP 3. Original and fifteen copies of the Rebuttal Testimony of Steven C. Andreassi.

CIF
Reith Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

CTR
EAG Thank you for your assistance with this filing.

LEG Canzano
LIN ori's test
OPC
RCH
SEC mas
WAS KAH/rl
cc: All Parties of Record

Sincerely,
Kenneth A. Hoffman
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CERTIFICATE OF SERVICE

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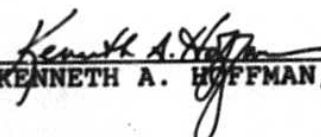
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By: 
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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In re: Expanded Interconnection)	Docket No. 921074-TP
Phase II and Local Transport)	Docket No. 930955-TL
Restructure)	Docket No. 940014-TL
)	Docket No. 940020-TL
)	Docket No. 931196-TL
)	Docket No. 940190-TL

**PREHEARING STATEMENT
OF TELEPORT COMMUNICATIONS GROUP INC.**

Teleport Communications Group Inc. ("TCG") hereby submits its prehearing statement pursuant to Rule 22.22.038(3) of the Florida Public Service Commission's ("PSC" or "Commission") rules of practice and procedure and the Commission's Order Establishing Procedure in this docket.

Witness

- (A) Steven Andreassi will testify on behalf of TCG to respond to the list of issues identified by the Commission in this docket. Mr. Andreassi will address all of the issues raised by the Commission and TCG.

Exhibits

- (B) TCG does not currently plan to offer exhibits into the record.

Statement of Basic Position

- (C) TCG's basic position in this proceeding is that the Commission should permit AAVs to provide the local transport portion of switched access services through collocation arrangements in local exchange company ("LEC") central offices. Expanded interconnection is in the public interest and will bring

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significant benefits to consumers in Florida by offering consumers operational and strategic security. The potential revenue impact on the local exchange companies will be negligible. TCG further asserts that Chapter 364 of the Florida Statutes authorizes the Commission to implement expanded interconnection, and TCG wishes to offer testimony on the details of this implementation.

Position on the Issues

ISSUE 1: How is switched access provisioned and priced today?

TCG: Switched access service and pricing are based on three rate elements: Carrier Common Line ("CCL"), Local Switching, and Local Transport. The CCL element recovers the non-traffic sensitive costs associated with the LEC's local exchange loop between the customer and the LEC central office. The Local Switching element recovers the traffic sensitive costs associated with the LECS' switch. The Local Transport element recovers the LEC's costs for carrying the IXC's traffic from the central office to the IXC's POP. The LECs charge IXCs for switched access service based on these three rate elements.

ISSUE 2: How is local transport structured and priced today?

TCG: Local Transport today is priced on a uniform per minute basis.

ISSUE 3: Under what circumstances should the Commission impose the same or different forms and conditions of expanded interconnection than the F.C.C.?

TCG: The rate elements for switched access interconnection are the same as the rate elements for special access interconnection. For switched access expanded interconnection, therefore, the Commission should simply order the LECS to use the rates and rate structures they established for their interstate switched tariffs, which in turn were structured on their interstate special access interconnection tariffs and to mirror any changes in those interstate rates.

ISSUE 4: Is expanded interconnection for switched access in the public interest?

TCG: Yes. By permitting AAVs to offer expanded interconnection for switched access, the Commission will bring the benefits of competition to Florida telecommunications users. First, TCG and other AAVs will build the local fiber optic infrastructure without the need for any special incentives which may be sought by the incumbent LECs and which transfer risks to ratepayers. Second, competition offers what the LECs cannot: operational security -- the ability to acquire diverse, redundant routing and switching service from two independent local networks as insurance against network failure or disaster; and strategic security -- the ability to use a telephone provider that does not compete in their core business.

ISSUE 5: Is the offering of dedicated and switched services between non-affiliated entities by non-LECs in the public interest?

TCG: Yes. Immediately permitting AAVs to provide dedicated and switched services between non-affiliated entities will greatly enhance the competitive environment in the state and will bring the benefits of operational and strategic security to potential customers in Florida.

ISSUE 6: Does Chapter 364, Florida Statutes, allow the Commission to require expanded interconnection for switched access?

TCG: Yes. Chapter 364 allows the Commission to require expanded interconnection for switched access for the same reasons it allowed the Commission to order special access interconnection. It directed the Commission to encourage cost-effective innovation and competition in the telecommunications industry if so doing will benefit the public by making modern and adequate telecommunications services available at reasonable prices.

ISSUE 7: Does a physical collocation mandate raise federal or state constitutional questions about the taking or confiscation of LEC property?

TCG: The D.C. Circuit Court of Appeals' decision addressed the federal constitutional issues regarding physical collocation. A virtual collocation mandate does not raise federal or state constitutional questions concerning the taking or confiscation of LEC property.

ISSUE 8: Should the Commission require physical and/or virtual collocation for switched access expanded interconnection?

TCG: The Commission should allow LECs to negotiate with interconnectors to establish physical collocation arrangements. In the absence of such negotiations, the Commission should mandate that the LECs provide virtual collocation which is technically and economically comparable to physical collocation. This standard ensures that the form of collocation does not affect the critical competitive technical, operational and financial characteristics of the interconnector's services.

ISSUE 9: Which LECs should provide switched access expanded interconnection?

TCG: LECs that filed intrastate special access interconnection tariffs should be required to provide switched access expanded interconnection.

ISSUE 10: From what LEC facilities should expanded interconnection for switched access be offered? Should expanded interconnection for switched access be required from all such facilities?

TCG: LECs should be required to simply mirror their intrastate special access interconnection tariffs by filing tariffs offering switched access interconnection at the same facilities, including tandem facilities.

ISSUE 11: Which entities should be allowed expanded interconnection for switched?

TCG: LECs should be required to offer expanded interconnection for switched access to the same entities that are allowed to receive intrastate special access interconnection in accordance with the LECs special access tariffs.

ISSUE 12: Should collocators be required to allow LECs and other parties to interconnect with their networks?

TCG: No. As monopoly providers of essential bottleneck facilities, LECs need to be required to provide expanded collocation to interconnectors. However, non-dominant, competitive carriers need no such requirement. As competition for switched services develops, a competitor would be foolish to reject a collocation request and the associated revenues. The potential interconnector will simply move on to the next provider.

ISSUE 13: Should the Commission allow switched access expanded interconnection for non-fiber optic technology?

TCG: At this time, TCG has no opinion on this issue.

ISSUE 14: Should all switched access transport providers be required to file tariffs?

TCG: No. Only LEC providers which have control over bottleneck facilities should be required to file tariffs.

ISSUE 15: Should the proposed LEC flexible pricing plans for private line and special access services be approved?

TCG: No. LECs should not be permitted additional pricing flexibility because the impact of intrastate Local Transport Restructuring will be minimal, affecting only the local transport portion of the switched access market which encompasses approximately 3.8% of the switched access revenues.

ISSUE 16: Should the LECs' proposed intrastate private line and special access expanded interconnection tariffs be approved?

TCG: To the extent that these tariffs mirror the LECs' interstate tariffs, they should be approved. The Commission must also ensure that the LECs' tariffs do not contain unreasonable warehousing provisions.

ISSUE 17: Should the LECs proposed intrastate switched access interconnection tariffs be approved?

TCG: To the extent that the LECs tariffs offering switched access interconnection, including tandem facilities, mirror their intrastate special access interconnection tariffs, they should be approved.

ISSUE 18: Should the LECs be granted additional pricing flexibility? If so, what should it be?

TCG: The LECs should be granted additional pricing flexibility only to the extent that pricing flexibility mirrors FCC pricing flexibility for switched access expanded interconnection.

ISSUE 19: Should the Commission modify its pricing and rate structure regarding switched transport service?

a) With the implementation of switched expanded interconnection.

b) Without the implementation of switched expanded interconnection.

TCG: The Commission should mirror the FCC's rules.

ISSUE 20: If the Commission changes its policy on the pricing and rate structure of switched transport service, which of the following should the new policy be based on:

a) The intrastate pricing and rate structure of local transport should mirror each LEC's interstate filing, respectively.

b) The intrastate pricing and rate structure of local transport should be determined by competitive conditions in the transport market.

c) The intrastate pricing and rate structure of local transport should reflect the underlying cost based structure.

d) The intrastate pricing and rate structure of local transport should reflect other methods.

TCG: The Commission should mirror each LEC's interstate filing, respectively.

ISSUE 21: Should the LECs proposed local transport restructure tariffs be approved? If not, what changes should be made to the tariffs?

TCG: The Commission should mirror the FCC's rules.

ISSUE 22: Should the Modified Access Based Compensation (MABC) agreement be modified to incorporate a revised transport structure (if local transport restructure is adopted) for intraLATA toll traffic between LECs?

TCG: TCG takes no position at this time concerning whether the MABC agreement should be modified. The Commission should mirror the FCC's rules in revising transport structure for intraLATA toll traffic between LECs.

ISSUE 23: How should the Commission's imputation guidelines be modified to reflect a revised transport structure (if local transport restructure is adopted)?

TCG: The Commission should adopt an effective imputation policy which would require LECs to impute to their end-to-end service the costs they impose on interconnectors to collocate in their bottleneck facilities.

ISSUE 23(a): Should the Commission modify the Phase I order in light of the decision by the United States Court of Appeals for the District of Columbia Circuit?

TCG: The Commission should mirror the FCC's rules.

ISSUE 24: Should these dockets be closed?

TCG: Once expanded interconnection for special and switched access services is fully implemented through reasonable, economically viable tariffs, the Commission can permit these dockets to become inactive. It should not close them, however, but leave them open for parties to raise interconnection problems.

Respectfully submitted,



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