

1/30/96



Continental Cablevision - Southeastern Region

DONALD L. CROSBY
Regulatory Counsel

**ORIGINAL
FILE COPY**

January 25, 1996

VIA FEDERAL EXPRESS

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

RE: DOCKET NO. 950985-TP

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are an original and fifteen copies of Continental Cablevision, Inc.'s Prehearing Statement Regarding Sprint-United/Centel. Copies have been served on the parties of record pursuant to the attached certificate of service.

Also enclosed is a copy of the prehearing statement on a 3-1/2" diskette in WordPerfect format, version 5.2.

Please acknowledge receipt and filing of these documents by date stamping the duplicate of this letter, which is enclosed, and returning it to me.

Thank you for your assistance with this filing.

Sincerely,

Donald L. Crosby
Donald L. Crosby

- ACK
- AFA
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Enclosure

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cc: All Parties of Record

DOCUMENT NUMBER-DATE

01036 JAN 29 1996

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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: JANUARY 26, 1996

CONTINENTAL'S PREHEARING STATEMENT
REGARDING SPRINT-UNITED/CENTEL

Continental Cablevision, Inc., on behalf of its affiliates, Continental Fiber Technologies, Inc. d/b/a AlterNet, and Continental Florida Telecommunications, Inc. (collectively "Continental"), pursuant to Orders Nos. PSC-95-1084-PCO-TP issued August 30, 1995, and PSC-95-1421-PCO-TP, issued November 22, 1995, and Rule 25-22.038(3), Florida Administrative Code, respectfully submits the following Prehearing Statement Regarding Sprint-United/Centel in the above-captioned docket.

A. WITNESSES

Continental will present as a witness A.R. (Dick) Schleiden. Mr. Schleiden will present direct and rebuttal testimony. His testimony will address all issues.

Continental reserves the right to call additional witnesses, if necessary, as may be required by later filed testimony, the

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completion of discovery, or new issues identified at the prehearing conference.

B. EXHIBITS

Continental intends to present the following exhibits:

1. Exhibit No. _____ (CONT-1) Resume of A.R. (Dick) Schleiden.
2. Exhibit No. _____ (CONT-2) Ch. Clemons' Letter of August 17, 1995.
3. Exhibit No. _____ (CONT-3) Sprint's Essential Elements of Local Competition

Continental reserves the right to later identify and sponsor such exhibits as may be required by later filed testimony, the completion of discovery, or new issues identified at the prehearing conference.

C. BASIC POSITION

The appropriate compensation arrangement for interconnection of traffic between Continental and Sprint-United Telephone Company of Florida and Sprint-Central Telephone Company of Florida (collectively "Sprint-United/Centel") is a "bill and keep" arrangement. This is the model used for terminating traffic between incumbent LECs in Florida today. The Commission's establishment of a "bill and keep" arrangement in this instance would provide the following benefits: (1) it is reciprocal; (2) as the lowest-cost method, it will encourage the lowest rates for consumers; (3) it minimizes costs that could serve as a barrier to entry into the local service market by ALECs; (4) it provides

economic incentives for the ALECs to invest in and strengthen the State's local telecommunications infrastructure; (5) it avoids skewed marketing activity; (6) it is consistent with the recent legislation's flat-rate pricing for basic services; and (7) it avoids the potential for resource-wasting contention over monthly usage reports. Any compensation arrangement modeled after switched access charges paid to incumbent LECs by interexchange carriers for toll traffic is inappropriate because it would serve as a barrier to competition in derogation of Section 364.162(5), Florida Statutes (1995).

D. ISSUES AND POSITIONS

Continental offers the following prehearing positions on the questions of law, fact and public policy identified for disposition in this docket:

ISSUE 1: What are the appropriate rate structures, interconnection rates, or other compensation arrangements for the exchange of local and toll traffic between Continental and Sprint-United/Centel?

POSITION: Continental's position is based on the following assumptions: all inter-LATA traffic is toll; the originating company determines whether intra-LATA traffic is local or toll; a tandem switch is engineered for the efficiency and convenience of the company operating it; and all companies have access to all

levels of the switching hierarchy. Based on these assumptions, the following interconnection arrangement should apply:

(A) For inter-LATA toll traffic delivered to the end office or tandem: inter-LATA switched access rates should apply;

(B) For intra-LATA toll traffic delivered to the end office: "bill and keep" should apply;

(C) For intra-LATA toll traffic delivered to the tandem: intra-LATA switched access rates should apply; and

(D) For local traffic delivered to an end office or a tandem: "bill and keep" should apply.

Under the "bill and keep" arrangement, often referred to as "mutual traffic exchange" or "payment in kind," two companies exchange traffic originating on their own facilities bound for termination on the other's facilities at some agreed-upon point, with each bearing the cost of its own facilities, keeping the revenues it generates and not charging the other to use its facilities. This method is currently the interconnection arrangement adopted in at least 6 states.

The "bill and keep" interconnection arrangement will prevent unreasonable discrimination between local exchange service providers in accordance with Section

364.16(3), Florida Statutes (1995). Moreover, it will promote consumer choice among the widest possible array of telecommunications services, while stimulating demand, promoting feature innovation, and reducing consumer prices. It will assure a balance of traffic flow among providers of Florida's Public Switched Network (PSN). Any interconnection compensation arrangement requiring payments between Continental and Sprint-United/Centel for terminating traffic is inappropriate for at least two major reasons. First, it would stifle full competition through the construction of entry barriers or burdens. Also, it would lead to distortions in the marketplace with respect to traffic flows, creating unpredictable market behavior.

ISSUE 2: If the Commission sets rates, terms, and conditions for interconnection between Continental and Sprint-United/Centel, should Sprint-United/Centel tariff the interconnection rate(s) or other arrangements?

POSITION: Under the "bill and keep" arrangement, the tariffs that are on file for Sprint-United/Centel should be sufficient. No tariff is required for the interconnection of local traffic since no payments would change hands and the technical requirements would be established in the Commission's order in this docket.

ISSUE 3: What are the appropriate technical and financial arrangements which should govern interconnection between

Continental and Sprint-United/Centel for the delivery of calls originated and/or terminated from carriers not directly connected to Continental's network?

POSITION: The technical interface for the delivery of all calls by one company to the other should all be identical. Such interconnecting facilities should conform, at the minimum, to the telecommunications industry standard of DS1 pursuant to BellCore Standard No. TR-NWT-00499 (or higher in the digital hierarchy) for facilities terminating as trunks on both companies' switching devices. Signalling System 7 (SS7) connectivity should also be required.

The financial arrangements should vary with the type of traffic delivered, in the manner described in our position on Issue 1. For an intermediary switching function performed by an incumbent LEC, an appropriate rate would be \$0.002 per minute. It is also assumed that the intermediary switching function would be performed at the tandem.

ISSUE 4: What are the appropriate technical and financial requirements for the exchange of intraLATA 800 traffic which originates from a Continental customer and terminates to an 800 number served by or through Sprint-United/Centel?

POSITION: With regard to the technical requirements, please see our response to Issue 3. To serve the needs of companies offering 800-type services, detailed information about the call is required from the call-originating company to the company offering the 800

service. This information should be mutually exchanged on the basis that allows the originating company to recover its costs. Sprint-United/Centel should compensate Continental for the origination of 800 traffic, as defined in Sprint-United/Centel's tariffs, terminated to Sprint-United/Centel. In determining the amount of compensation, Continental's originating switched access charges should be identical to Sprint-United/Centel's. Continental should provide Sprint-United/Centel the appropriate records necessary for Sprint-United/Centel to bill its customers. At such time as Continental elects to provide 800 services, Sprint-United/Centel should reciprocate this arrangement.

ISSUE 5(a): What are the appropriate technical arrangements for the interconnection of the Continental network to Sprint-United/Centel's 911 provisioning network such that Continental's customers are ensured the same level of 911 service as they would receive as a customer of Sprint-United/Centel?

POSITION: With regard to the technical requirements, please see our response to Issue 3. It is Continental's desire to provide the highest level of 911 service possible; therefore, we wish to retain the option of providing trunks directly to the provider of emergency services.

Continental's customers must have the same level of access to reliable 911 service as customers of Sprint-United/Centel. For basic 911 service, Sprint-United/Centel should provide a list consisting of each

municipality in its service territory that subscribes to basic 911 service. The list will also provide the E911 conversion date and, for network routing purposes, a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to basic 911 service.

Continental should arrange to accept 911 calls from its customers in municipalities that subscribe to basic 911 service and translate the 911 call to the appropriate ten-digit directory number as stated on the list provided by Sprint-United/Centel and route that call to Sprint-United/Centel at the appropriate tandem or end office. When a municipality converts to E911 service, Continental should discontinue the basic 911 procedures and begin the E911 procedures.

For E911 service, Continental should connect Feature Group D trunks to the appropriate E911 tandem, including the designated secondary tandem. If a municipality has converted to E911 service, Continental should forward 911 calls to the appropriate E911 primary tandem, along with Automatic Number Identification ("ANI"), based upon the current E911 end office-to-tandem homing arrangement as provided by Sprint-United/Centel. If the primary tandem trunks are not available, Continental should alternate-route the call to the designated secondary E911 tandem. If the

secondary tandem trunks are not available, Continental should alternate route the call to the appropriate Traffic Operator Position System (TOPS) tandem.

ISSUE 5(b): What procedures should be in place for the timely exchange and updating of Continental's customer information for inclusion in appropriate E911 databases?

POSITION: Continental will conform to any reasonable procedures to maintain the E911 databases, including continuous updates during the normal business day. In order to ensure the proper working of the system along with accurate customer data, Continental should provide daily updates to the E911 database. Sprint-United/Centel must be required to work cooperatively with Continental to define record layouts, media requirements, and procedures for this process.

ISSUE 6: What are the appropriate technical and financial requirements for operator handled traffic flowing between Continental and Sprint-United/Centel including busy line verification and emergency interrupt services?

POSITION: With regard to the technical requirements, please see our response to Issue 3. The party providing service for the other ought to be able to recover its costs for the provisioning of such service. Procedures should be agreed to without much difficulty. Continental and Sprint-United/Centel should mutually provide each other busy line verification and emergency interrupt services.

ISSUE 7: What the appropriate arrangements for the provision of directory assistance services and data between Continental and Sprint-United/Centel?

POSITION: Sprint-United/Centel should include Continental's customers' primary listings (residence and business listings) and yellow page (business) listings in its directory assistance database at no charge. For the initiation of competitive service, Sprint-United/Centel should continue to provide directory assistance services. Continental will conform to any reasonable procedure to provide database updates continuously during the normal business day.

ISSUE 8: Under what terms and conditions should Sprint-United/Centel be required to list Continental's customers in its white and yellow pages directories and to publish and distribute these directories to Continental's customers?

POSITION: Sprint-United/Centel should include Continental's customers' primary listings in the white page and yellow page directories, distribute directories to the customers of each and recycle all customers' directory books at no charge. Continental and Sprint-United/Centel should work cooperatively on issues concerning lead time, timeliness, format, and content of list information. Since directories are a source of revenue to the issuing company, Sprint-United/Centel should wish to list Continental's customers and to distribute the directories; Continental does not seek any remuneration for cooperating in Sprint-United/Centel's efforts regarding directories. Continental reserves the right to develop directory arrangements in addition to those described above.

ISSUE 9: What are the appropriate arrangements for the provision of billing and collection services between Continental and Sprint-United/Centel, including billing and clearing credit card, collect, third party and audiotext calls?

POSITION: Continental and Sprint-United/Centel should bill and clear credit card, collect and third party calls (calls where the recording company is different from the billing company) through Centralized Message Distribution Service (CMDS) provided by Sprint-United/Centel. CMDS is the appropriate mechanism by which these services should be provided. Continental ought to enjoy the freedom of participation in such billing and collection services to the same degree as Sprint-United/Centel.

ISSUE 10: What arrangements are necessary to ensure the provision of CLASS/LASS services between Continental's and Sprint-United/Centel's networks?

POSITION: Continental and Sprint-United/Centel should provide LEC-to-LEC Common Channel Signalling (CCS) to each other, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions. All CCS signalling parameters should be provided, including ANI, Originating Line Information (OLI) calling party category, charge number, etc. All privacy indicators should be honored. Continental and Sprint-United/Centel should cooperate on the exchange of Transactional Capabilities Application Point (TCAP) messages to facilitate full

interoperability of CCS-based features between their respective facilities. CCS should be provided Signal Transfer Point to Signal Transfer Point. In most instances, the CLASS/LASS features may be passed between switching devices using the SS7 channel. It must be cautioned, however, that using call forwarding for number portability may cause these features to be dropped when the call is forwarded.

ISSUE 11: What are the appropriate arrangements for physical interconnection between Continental and Sprint-United/Centel, including trunking and signalling arrangements?

POSITION: With regard to the appropriate technical arrangements, please see our response to Issue 3. To enhance the grade of service to all Florida consumers, trunks to the end office should overflow to trunking to the tandem for maximum call completion when all trunks are busy ("ATB") on normal trunking. This is a reciprocal arrangement and would be particularly important in times of disaster. Co-location or virtual co-location must be required with all elements being reciprocal and mutual.

ISSUE 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 Continental?

POSITION: Continental understands that this issue concerns an IXC delivering incoming calls, bound for an ALEC, to Sprint-United/Centel because the NXX code involved is

assigned to Sprint-United/Centel. The called party, however, is a customer of the ALEC and the call must be "ported" through Sprint-United/Centel's call forwarding function to the ALEC for completion. However, this call will appear to the ALEC as a "local" call since it is delivered from a Sprint-United/Centel end office. Clearly, Sprint-United/Centel will bill the IXC for terminating switched access charges associated with this call. Since this has great possibility of working in both directions and, over time, traffic should be equalized, Continental believes that this call should be handled on a "bill and keep" basis. In Continental's view, every exchange of traffic on end office trunks should be under the "bill and keep" financial arrangement.

ISSUE 13: What arrangements, if any, are necessary to address other operational issues?

POSITION: There are a number of operational issues that must be resolved in order for local interconnection to function between companies. Any issue which cannot be negotiated to the satisfaction of both interconnecting companies should be resolved by the Commission through an expedited complaint procedure. An example of such issues is the handling of maintenance calls that are reported to the wrong company. Such misdirected calls must be handled in a manner that holds the consumer

interest foremost. Both the LECs and the ALECs must develop consumer educational campaigns for maintenance management. These campaigns should assure that consumers are made aware of the proper maintenance numbers. In certain circumstances, the receiving company should forward trouble reports to the appropriate company.

ISSUE 14: What arrangements, if any, are appropriate for the assignment of NXX codes to Continental?

POSITION: It is imperative that telephone numbers be conserved as valuable resources. Nevertheless, such valuable resources must be shared and should not be controlled by the dominant competitor in the marketplace. However, that is the situation at the initiation of competition. Continental ought to be able to enlist the Commission's assistance in overcoming any delays that occur in obtaining NXX codes. The Commission should handle such requests for assistance on an expedited basis, preferably in less than 30 days. Minimally, Continental should be able to get an NXX code for each Sprint-United/Centel office with which Continental physically interconnects. After obtaining these initial NXX codes, Continental should be able to get additional NXX codes when 60% or more of the numbers in an existing code have been allocated. Continental

requests for NXX codes should be expected to be fulfilled in 30 days or less.

E. STIPULATIONS

Continental is not aware of any matters that have been stipulated in Docket No. 950985-TP with regard to Sprint-United/Centel at this time.

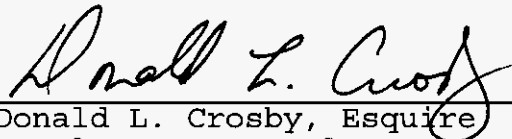
F. PENDING MOTIONS

Continental is not aware of any motions that are pending in Docket No. 950985-TP with regard to Sprint-United/Centel at this time.

G. OTHER REQUIREMENTS

Continental is not aware at this time of any requirements set forth in the orders establishing procedure, Orders Nos. PSC-95-1084-PCO-TP and PSC-95-1421-PCO-TP, with which it cannot comply.

RESPECTFULLY SUBMITTED this 26th day of January, 1996.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of Continental's Prehearing Statement Regarding Sprint-United/Centel were furnished by next-day express delivery on this 25th day of January, 1996, to the following:

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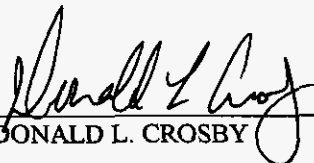
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