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July 8, 1993

Mr. Steven C. Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399

Re: Docket No. 921074-TP

Dear Mr. Tribble:

Enclosed for filing in the above referenced docket are one (1) original and fifteen (15) copies of AT&T's Prehearing Statement. Copies of the foregoing are being served on all parties of record in accordance with the attached Certificate of Service.

Yours truly,

*Michael W. Tye*  
Michael W. Tye

ACK  \_\_\_\_\_  
 AFA  \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMI  MWT:sad  
 CTR \_\_\_\_\_ Attachments  
 EAG \_\_\_\_\_  
 LEG  cc: J. P. Spooner, Jr.  
 LIN  Parties of Record  
 OPC \_\_\_\_\_  
 RCH \_\_\_\_\_  
 SEC  \_\_\_\_\_  
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of INTERMEDIA )  
COMMUNICATIONS OF FLORIDA, INC.) DOCKET NO. 921074-TP  
for expanded interconnection )  
for AAVs within LEC central ) SUBMITTED FOR FILING:  
offices. ) July 8, 1993  
\_\_\_\_\_ )

**AT&T'S PREHEARING STATEMENT**

AT&T Communications of the Southern States, Inc.  
(hereinafter "AT&T"), pursuant to Rule 25-22.038, Florida  
Administrative Code, and Order No. PSC-93-0811-PCO-TL,  
issued on May 26, 1993 by the Florida Public Service  
Commission (hereinafter the "Commission") in the above-  
referenced docket, hereby submits its Prehearing Statement.

**A. Witness**

AT&T intends to sponsor the testimony of the following  
witness:

1. Mike Guedel: Mr. Guedel is employed by AT&T as a  
Manager in its Network Services Division. The purpose  
of Mr. Guedel's direct testimony is to recommend that  
the Commission find that expanded interconnection of  
AAVs to LEC facilities is in the public interest, and  
that the Commission take the necessary steps to  
expedite the implementation of expanded  
interconnection. Mr. Guedel's rebuttal testimony will

address the direct testimony of the other parties to this proceeding.

In addition to the foregoing witness, whose testimony has been prefiled, AT&T reserves the right to present responsive testimony, if necessary, in the event that there are matters raised by the parties for the first time at the hearing.

**B. Exhibits.**

AT&T does not intend to present any exhibits. However, in the event that there are matters raised by the parties for the first time at the hearing, AT&T reserves the right to submit responsive exhibits, if necessary.

**C. Basic Position.**

AT&T submits that the Commission should find expanded interconnection to be in the public interest and should take the necessary steps to expedite its implementation. Expanded interconnection is the next logical step towards the introduction of competition into one of the remaining monopoly preserves of the Local Exchange Companies (hereinafter "LECs"). Expanded interconnection will facilitate competition in the market for special access services by allowing end user customers greater opportunity to reach competing access suppliers, thus bringing the benefits of competition to a larger number of special access customers. Expanded interconnection clearly serves the

public interest, and its implementation should be immediately ordered by the Commission.

D. Fact Issues.

See Attachment 1 (AT&T's Positions on Issues).

E. Legal Issues.

See Attachment 1 (AT&T's Positions on Issues).

F. Policy Issues.

See Attachment 1 (AT&T's Positions on Issues).

G. Position on Issues.

See Attachment 1 (AT&T's Positions on Issues).

H. Stipulated Issues.

AT&T is not aware of any issues that have been stipulated to by the parties.

I. Pending Motions.

AT&T is not aware of any pending motions.

J. Other Requirements.

AT&T is not aware of any requirements set forth in the Order on Prehearing Procedure with which its is unable to comply.

Respectfully submitted this 8th day of July, 1993.



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ATTORNEY FOR AT&T  
COMMUNICATIONS OF THE  
SOUTHERN STATES, INC.

DOCKET NO. 921074-TP  
AT&T'S PREHEARING  
STATEMENT  
ATTACHMENT 1

AT&T'S POSITIONS ON ISSUES

ISSUE 1: Is expanded interconnection for special access and/or private line in the Public Interest?

AT&T'S POSITION: Yes. The adoption of expanded interconnection would facilitate the beginning of competition within the local exchange and would benefit customers in much the same way as competition in other aspects of the telecommunication industry (interexchange services and telephone sets) has benefited customers over the years. Competition facilitates customer choice and the development and production of innovative new services.

ISSUE 2: How does the FCC's order on expanded interconnection impact the Commission's ability to impose forms and conditions of expanded interconnection that are different from those imposed by the FCC's order?

AT&T'S POSITION: AT&T takes no position on this issue at this time.

ISSUE 3: Under what circumstances should the Commission impose different forms and conditions of expanded interconnection?

AT&T'S POSITION: It is AT&T's position that the opportunities for the development of competition through expanded interconnection will be best facilitated if this Commission adopts the same standards and conditions as ordered by the FCC with respect to interstate interconnection in CC Docket No. 91-141.

**ISSUE 4:** Does Chapter 364, Florida Statutes allow the Commission to require expanded interconnection?

**AT&T'S POSITION:** Yes. Requiring expanded interconnection, under appropriate circumstances, is within the Commission's statutory discretion.

**ISSUE 5:** Does a physical collocation mandate raise federal and/or state constitutional questions about the taking or confiscation of LEC property?

**AT&T'S POSITION:** No.

**ISSUE 6:** Should the Commission require physical and/or virtual collocation?

**AT&T'S POSITION:** Yes. The FCC has mandated physical collocation for purposes of interstate expanded interconnection where adequate space is available and virtual collocation in all other cases. Recognizing that the same basic equipment will be utilized in the provision of both interstate and intrastate services, AT&T recommends that this Commission adopt the same collocation standard for intrastate expanded interconnection for two reasons: 1) providing physical collocation where space is available and virtual collocation in other situations for expanded interconnection will offer minimal or no additional burden to the LECs, and 2) requiring different interconnection forms or standards could seriously impede the development of expanded interconnection.

**ISSUE 7:** What LECs, if any, should be required to provide expanded interconnection?

**AT&T'S POSITION:** The Commission should order all FCC designated "Tier 1" companies operating in the state to provide expanded interconnection for the provision of special access services.

**ISSUE 8:** Where should expanded interconnection be offered?

**AT&T'S POSITION:** Interconnection should be offered at all rating points including all LEC central offices.

**ISSUE 9:** Who should be allowed to interconnect?

**AT&T'S POSITION:** Interconnection opportunities should be available to all third parties including CAPS, IXCs, and end users.

**ISSUE 10:** Should the same terms and conditions of expanded interconnection apply to AT&T as apply to other interconnectors?

**AT&T'S POSITION:** Yes. AT&T should be allowed to interconnect to the same extent and under the same terms and conditions as any other third party user.

**ISSUE 11:** Should the Commission require standards for physical and/or virtual collocation? If so, what should they be?

**AT&T'S POSITION:** Yes. This Commission should require standards consistent with those adopted by the FCC in CC Docket 91-141.

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

**AT&T'S POSITION:** No. The purpose of expanded interconnection is to facilitate the entry of potential competitors into the historical monopoly preserves of the local exchange companies - to remove a specific barrier to entry imposed by the existing monopoly. Expanded interconnection would allow potential competitors the opportunity to access customers on terms more equal to that of the local exchange companies. Because none of these potential competitors possesses the monopoly,



interconnection requirements as prescribed for the LECs are not applicable - indeed such requirements would tend to frustrate rather than encourage the development of competition.

**ISSUE 13:** What standards should be established for the LECs to allocate space for collocators?

**AT&T'S POSITION:** Space should be allocated on a first come first serve basis.

**ISSUE 14:** Should the Commission allow expanded interconnection for non-fiber optic technology?

**AT&T'S POSITION:** AT&T takes no position on this issue at this time.

**ISSUE 15:** If the Commission permits expanded interconnection, what pricing flexibility should the LECs be granted for special access and private line services?

**AT&T'S POSITION:** AT&T would not oppose granting the LECs "zone-pricing" flexibility under the same parameters established by the FCC in Order No. 92-440, CC Docket No. 91-141. This arrangement allows for the establishment of three density pricing zones, requiring that rates be averaged within each zone but allowing that rates may differ between pricing zones. All rates must cover the cost incurred in providing the specific services.

**ISSUE 16:** If the Commission permits collocation, what rates, terms, and conditions should be tariffed by the LEC?

**AT&T'S POSITION:** Initially the LECs should file the same rates, terms, and conditions as they have approved in the Federal arena (assuming those rates cover the cost incurred in providing the services).

**ISSUE 17:** Should all special access and private line providers be required to file tariffs?

**AT&T'S POSITION:** AT&T takes no position on this issue at this time.

**ISSUE 18:** What separations impact will expanded interconnection have on the LECs?

**AT&T'S POSITION:** AT&T takes no position on this issue at this time.

**ISSUE 19:** How would ratepayers be financially affected by expanded interconnection?

**AT&T'S POSITION:** The financial impact on the rate payers should be negligible for the following reasons:

1. Expanded interconnection only offers the opportunity for the entry of competition, it does not transform the monopoly into a competitive market.
2. The LECs will most likely aggressively compete for special access and private line customers and hold on to a majority of their existing market share.
3. The facilities used by the LECs to provide special access are generally fungible - thus as long as the telecommunications market continues to grow, the LECs can find opportunities to earn on these investments even if they lose some special access customers.

**ISSUE 20:** Should the Commission grant ICI's petition?

**AT&T'S POSITION:** The Commission should grant ICI's petition consistent with the testimony and positions taken by AT&T in this proceeding.

**ISSUE 21:** Should expanded interconnection be subject to a "net revenue test" requirement in order to avoid possible cross-subsidy concerns?

**AT&T'S POSITION:** The rates charged for expanded interconnection should exceed the incremental costs incurred in providing the interconnection; i.e., expanded interconnection should not be subsidized. Some test should be made to guarantee this, however; without knowing exactly what is meant here by the term "net revenue test," AT&T cannot endorse it as an appropriate methodology. If, however, "net revenue test" implies a "keep whole" pricing scheme, where the LECs would be allowed to set prices for interconnection as high as necessary to generate the same revenue that they currently receive from the entire special access services, then the "net revenue test" is wholly inappropriate.

**CERTIFICATE OF SERVICE**

**DOCKET NO. 921074-TP**

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U. S. Mail or hand-delivery to the following parties on this 8<sup>th</sup> day of July, 1993:

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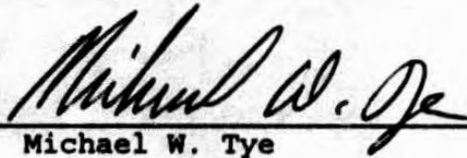
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