BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by Metropolitan Fiber Systems of Florida, Inc. for arbitration of certain terms and conditions of a proposed agreement with Central Telephone Company of Florida and United Telephone Company of Florida concerning interconnection and resale under the Telecommunications Act of 1996.	DOCKET NO. 960838-TP ORDER NO. PSC-96-1154-PHO-TP ISSUED: September 17, 1996

Pursuant to Notice, a Prehearing Conference was held on September 5, 1996, in Tallahassee, Florida, before Commissioner Julia L. Johnson, as Prehearing Officer.

APPEARANCES:

Richard M. Rindler and Lawrence R. Freedman, Esquires, Swidler & Berlin, 3000 K Street, N.W., Suite 300, Washington, DC, 20007.
On behalf of MFS Communications Company, Inc.

J. Jeffry Wahlen, Esquire, Ausley & McMullen, P.O. Box 391 Tallahassee, FL 32302.
On behalf of Central Telephone Company of Florida and United Telephone Company of Florida.

Michael Billmeier and Monica M. Barone, Esquires, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Commission Staff.

PREHEARING ORDER

I. CASE BACKGROUND

The Telecommunications Act of 1996 (the Act) became law on February 8, 1996. One of the purposes of the Act was to implement competition in the local telephone market. Section 252(a)(1) of the Act allows telecommunications companies to enter into

negotiations and reach binding agreements with local exchange companies on the rates, terms, and conditions of interconnection, resale, and other elements necessary for local competition. Section 252(b)(1) of the Act allows a carrier to petition a state Commission to arbitrate unresolved issues if negotiations fail. The state Commission must, pursuant to Section 252(b)(4), resolve the issues within 9 months of the date a carrier enters into negotiations with a LEC. On February 8, 1996, MFS Communications Company, Inc. (MFS) began negotiations with Central Telephone Company of Florida and United Telephone Company of Florida (collectively Sprint). On July 17, 1996, MFS filed a petition requesting that the Commission arbitrate various issues in its negotiations with Sprint. The Commission must, therefore, resolve the issues in this docket by November 8, 1996.

By Order No. PSC-96-0964-PCO-TP, issued July 26, 1996, the procedural schedule for this docket was established. The hearing in this docket is set for September 19 and 20, 1996.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 364.183(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.

3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.

5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting confidential files.

Post-hearing procedures

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

IV. ORDER OF WITNESSES

WITNESS	APPEARING FOR	ISSUES
Direct Testimony*		
Timothy T. Devine	MFS	All
William E. Cheek	Sprint	1 - 13
Randy G. Farrar	Sprint	2 - 6
James D. Dunbar	Sprint	3
Rebuttal Testimony		
David N. Porter	MFS	All

*Witnesses Devine, Cheek, and Farrar also filed rebuttal testimony. Those witnesses will present their direct testimony and rebuttal testimony at the same time.

V. BASIC POSITIONS

MFS: MFS seeks Commission arbitration of the unresolved issues arising from its proposed comprehensive interconnection agreement, including rates, terms, and conditions between MFS and Sprint. MFS believes that a comprehensive interconnection agreement is required to implement appropriate interconnection arrangements between the parties, and that the Commission should arbitrate any unresolved issue necessary to reach promptly a complete and final agreement. The Telecommunications Act of 1996 ("Act") and the FCC's Orders are designed to ensure that the parties reach such an agreement, and operate from the central premise that the goal of the process is to remove delays and barriers to entry into the telecommunications market. Common sense says that the complex business and technical concerns at issue require a comprehensive agreement. MFS has reached such agreements with at least five of the seven RBOCs and several major independent ILECs. MFS has proposed such an agreement with Sprint, and, indeed, Sprint has proposed its own, reflecting the view that a comprehensive agreement is necessary. MFS believes it is incumbent upon the arbitrator to determine all issues necessary to reach a comprehensive interconnection agreement. MFS seeks to avoid the circumstance where, despite the fact that the Act, the FCC Order, and, in certain instances, the Commission's orders clearly dictate the constituent

requirements of an agreement, MFS is delayed in moving forward because of the ILEC's failure, inability or refusal to agree to all of the detailed provisions necessary for a comprehensive agreement. Accordingly, MFS urges the Commission to take all steps to ensure both prompt resolution of all issues and execution of a comprehensive interconnection agreement.

MFS believes that its proposed CIA contains all of the necessary constituent elements of a comprehensive agreement, and that the CIA is a fair, reasonable, and straightforward articulation of the principles and provisions mandated by the Act, the FCC Order, and this Commission's prior Orders. In fact, the provisions of the CIA are specifically cross referenced to the corresponding sections in the Act requiring such provisions. The fact that MFS has been able to enter into such agreements with other diverse, sophisticated parties, shows that the principles and particulars of MFS' proposed agreement are reasonable and appropriate, and further that there is no reason why such a comprehensive agreement cannot be expeditiously completed and concluded here.

In MFS' view, a number of the issues have previously been addressed by the Commission in Order Nos. PSC-96-0811-FOF-TP ("Unbundling Order") (recon. pending) and PSC-96-0668-FOF-TP ("Interconnection Order") (recon. pending), in which the Commission ruled on MFS' petitions brought pursuant to Florida law for interconnection and unbundling terms with Sprint. MFS asks the Commission to take official notice of its prior decisions and incorporate the record of those proceedings here, including testimony, transcripts, and staff recommendations. MFS similarly seeks such official notice of the Act, as well as the FCC's Orders and Rules thereunder, including without limitation the FCC Order. Furthermore, to the extent that the FCC's new interconnection rules conflict with the Commission's prior rulings, MFS believes that the FCC rules must apply. See, FCC Order, ¶ 101 (agreements arbitrated by state commissions must comply with FCC's regulations); and § 253 of the Act (FCC regulations preempt state or local regulations). MFS notes that its positions have been revised to reflect the requirements of the FCC Order. Where possible, those points have been identified in the Rebuttal Testimony of Mr. Devine and in this Pre-hearing Statement. Other such revisions, if any, shall be identified with specificity prior to the hearing in this case.

SPRINT:

This arbitration proceeding has been instituted at the request of MFS pursuant to Section 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("Act"). In its Petition, MFS has specifically identified issues which MFS contends the parties have not been able to resolve, and seeks arbitration on those issues. Sprint has negotiated with MFS in good faith for months to resolve these issues. In an effort to quickly bring to closure the ongoing negotiations with MFS, Sprint has responded to each of the issues raised in MFS' Petition and has furnished additional information to assist the Commission in arbitrating these issues. The positions taken by Sprint are fair and reasonable and, if adopted by the Commission, will achieve the requirements of the Act; will promote efficient and effective local competition; and will bring the full benefits of competition to the broadest number of telecommunications consumers as quickly as possible.

Contrary to MFS' assertions, the parties are not in disagreement as to most of the issues specifically identified in MFS' Petition. Of those issues that MFS contends remain unresolved, several were resolved by this Commission, pursuant to Chapter 364, Florida Statutes (1995), in Order Nos. PSC-96-0668-FOF-TP and PSC-96-0811-FOF-TP; other issues have been addressed by the Federal Communications Commission in its First Report and Order and Rules ("FCC Order"), issued on August 8, 1996, in CC Docket No. 96-98; its Second Report and Order ("Second Order"), also issued on August 8, 1996, in Docket No. 96-98; and some issues (stipulated damages, information pages, and information services traffic) are not included within the scope of Section 251 of the Act. It would serve no purpose for this Commission now to rearbitrate those issues already decided in Docket Nos. 950984-TP and 950985-TP, or to arbitrate issues already addressed by the FCC or which are not appropriate to an arbitration proceeding governed by Sections 251 and 252 of the Act.

STAFF:

No position at this time.

VI. ISSUES AND POSITIONS

ISSUE 1:

What are the appropriate arrangements for the network interconnection architecture between MFS and Sprint?

MFS: Under 47 U.S.C. § 251(c)(2)(B), Sprint must provide interconnection at any technically feasible point within its network. MFS proposes in § 4.0 of the CIA that interconnection be accomplished through mutually agreed upon interconnection points, with each carrier responsible for providing facilities and trunking to the meet points for the hand off of local and toll traffic and each carrier responsible for completing calls to all end users on its network. The Commission ordered similar arrangements in its Interconnection Order. Furthermore, the FCC addressed these issues in its Order at ¶¶ 176-225, as well as at 47 C.F.R. § 51.305. In order to implement appropriate interconnection arrangements, a comprehensive agreement must contain appropriate provisions addressing a number of key issues. Obviously, provisions for definitions and interpretation and construction of the CIA are necessary; MFS has provided these in §§ 1.0 and 2.0 respectively of the CIA. More importantly, an implementation schedule and agreement on interconnection activation dates is a logical and critical element. MFS provides for this in § 3.0 of the CIA. Section 3.0 expressly states that it is provided in the CIA pursuant to Section 4.0. Such a provision is specifically mandated as a standard for arbitration under § 252(c)(3) of the Act. Other necessary provisions will be described below.

SPRINT:

Sprint agrees to interconnect with MFS at those interconnection points set forth in the FCC's Order, ¶ 210, as follows:

- trunk-side local switch (main distribution frame)
- line-side local switch
- tandem switch
- central office cross-connect points
- out-of-band signaling transfer points
- points of access to unbundled elements

In addition, Sprint agrees to interconnect on a meet-point basis as set forth in the FCC's Order, ¶ 553. In a meet-point arrangement, each party pays its portion of the costs to build

out the facilities to the meet point, typically the wire center boundary.

STAFF:

No position at this time.

ISSUE 2:

What is the appropriate reciprocal compensation rate and arrangement for local call termination between MFS and Sprint?

MFS: Until the Commission approves a total element long run incremental cost ("TELRIC") based study as required by the FCC Order, the Commission must apply the proxy range of reciprocal compensation rates set out in 47 C.F.R. § 51.513. Specifically, that range is $0.002-0.004 per minute of use, with an additional $0.015 per minute of use for tandems. See also, CIA § 5.8.

SPRINT:

Sprint agrees to provide local interconnection consisting of three elements: network tandem switching, transport, and end office or local switching.

The appropriate interim rates are the proxy rates established by the FCC Order, ¶¶ 824, 1060 and 1061. Sprint will charge MFS these rates until cost studies using the FCC's TELRIC methodology can be developed.

STAFF:

No position at this time.

ISSUE 3:

Is it appropriate for Sprint to offer the following unbundled loops, and if so, at what rate:

a. 2-wire analog voice grade loop;
b. 4-wire analog voice grade loop; and
c. 2-wire ISDN digital grade loop;

MFS: MFS believes that this Commission's prior Orders as well as the Act and the FCC Order clearly require Sprint to offer all such loops. As to the rate, MFS does not believe that BCM 2 complies with the FCC Order. Until the Commission approves a TELRIC based study as required by the FCC Order, the Commission should use the FCC proxy ceiling of $13.68 for unbundled loops in Florida, over three or more geographically deaveraged zones. See also, CIA § 9.

SPRINT:

Sprint will provide the following unbundled loops as requested by MFS at the corresponding prices for an interim period:

a. 2-wire analog voice grade loop - $13.68 per month;
b. 4-wire analog voice grade loop - $27.36 per month; and
c. 2-wire ISDN digital grade loop - $13.68 per month plus any recurring and/or nonrecurring cost for conditioning.

These prices are consistent with the default proxy prices established by the FCC Order.

STAFF:

No position at this time.

ISSUE 4:

Is it appropriate for Sprint to provide MFS with 2-wire ADSL compatible, and 2-wire and 4-wire HDSL compatible loops? If so, what are the appropriate rates for these loops?

MFS: The FCC Order at ¶¶ 367-396 states that carriers must provide these loops if technically feasible. MFS believes such loops are technically feasible. Ameritech provides these loops to MFS in Illinois, plainly demonstrating that they are technically feasible. MFS does not believe that BCM 2 complies with the FCC Order. Until the Commission approves a TELRIC based study, the Florida proxy ceiling should apply on a deaveraged basis utilizing three zones: urban, suburban, and rural. See also, CIA § 9.

SPRINT:

Assuming the technical requirements of these facilities can be adequately identified, Sprint agrees to provide MFS with 2-wire ADSL compatible, and 2-wire and 4-wire HDSL compatible

loops. As determined by the FCC Order, ¶ 382, the rates for these loop compatibilities will be based upon the cost of conditioning the loops. Until Sprint knows more precisely what MFS is seeking in the way of compatibility, Sprint is unable to determine the appropriate costs.

STAFF:

No position at this time.

ISSUE 5:

What are the appropriate rates, terms and conditions, if any, for billing, collection and rating of information services traffic between MFS and Sprint?

MFS: MFS' position is stated in detail in § 7.1 of the CIA. MFS proposes that the Originating Party (as this and other terms in this paragraph are defined in the CIA) on whose network information services traffic originates shall provide to the Terminating Party recorded call detail information. The Terminating Party shall provide the Originating Party with necessary information to rate information services traffic to the Originating Party's customers pursuant to the Terminating Party's agreements with each information services provider. The Originating Party shall bill and collect such information provider charges and remit the amounts collected to the Terminating Party, less certain adjustments.

SPRINT:

Sprint does not agree that it is Sprint's responsibility to act as MFS' intermediary with information services providers. This issue was previously decided by this Commission in Docket No. 950985-TP, Order No. PSC-96-0668-FOF-TP, page 39. Nothing has changed since the Commission's prior decision to require any revision.

STAFF:

No position at this time.

ISSUE 6:

What is the appropriate rate for interim number portability via remote call forwarding provided by Sprint to MFS pursuant to the order issued July 2, 1996, in FCC Docket 95-116?

MFS: MFS recommends the cost recovery mechanism articulated in more detail in the Testimony of Timothy Devine (Direct & Rebuttal) and endorsed in ¶¶ 117-140 of the FCC's July 2 Order. See also, CIA § 13.

SPRINT:

Sprint is entitled to reasonable compensation for this service, provided such compensation is based on the incremental cost of providing the services, and recognizes that interim number portability provides an inferior method of providing number portability.

Sprint proposes to charge MFS $0.53 per month for residential Remote Call Forwarding ("RCF"), including six call paths, and $1.00 per month for business RCF, also including six call paths. The price for each additional path, residential and business, is $0.36.

STAFF:

No position at this time.

ISSUE 7:

Does the Commission have the authority and jurisdiction to require the inclusion of a clause for liquidated damages in an interconnection agreement between MFS and Sprint?

Should the interconnection agreement between MFS and Sprint include provisions for liquidated damages for specified performance breaches? If so, what provisions should be included?

MFS: Yes. MFS stated its position on this question in detail in MFS' Opposition to Sprint's Motion to Dismiss, filed in this proceeding on or about August 19, 1996.

Yes, such a provision is appropriate. A stipulated damages provision is appropriate because damages are difficult to measure, and the extent of the damage to MFS' business will go

well beyond the immediate economic losses. Section 23.0 of the CIA specifies the types of performance breaches which should be covered and the amount of liquidated damages.

SPRINT:

No. The Commission does not have the authority and jurisdiction to require the inclusion of a clause for liquidated damages in an interconnection agreement between MFS and Sprint. Moreover, what MFS proposes is not a liquidated damages clause; it is a penalty provision. Such a provision cannot be imposed by the Commission and is, in any event, not legally enforceable.

STAFF:

No position at this time.

ISSUE 8:

What arrangements, if any, are appropriate for the assignment of NXX codes to respective ALECs?

MFS: MFS' position is stated in detail in Section 14 of the CIA. MFS essentially seeks fair and equal treatment with respect to such assignment.

SPRINT:

This issue was decided by the Commission in Docket No. 950985-TP. As the Commission noted in its Order No. PSC-96-0668-FOF-TP, page 47, Sprint is not the numbering administrator for its region. Nonetheless, Sprint agrees to make telephone number resources available to MFS, as set forth in the Sprint Draft Interconnection and Resale Agreement, dated August 9, 1996 ("Sprint Model Agreement"), Exhibit No. WEC-2, Section VIII.

STAFF:

No position at this time.

ISSUE 9:

What are the appropriate arrangements for tandem subtending Meet-Point Billing?

MFS: MFS' position is stated in detail in § 6.3 of the CIA. Among other things, MFS proposes that if Sprint operates an access tandem serving a LATA in which MFS operates, it should be required, upon request, to provide tandem switching service to any other carrier's tandem or end office switch serving customers within that LATA, thereby allowing MFS' switch to "subtend" the tandem. See, Interconnection Order at 27. Meet-point billing formulas should apply. See, Interconnection Order at 27-28. MFS and Sprint should exchange all information in a timely fashion necessary to accurately, reliably and promptly bill third parties for switched access services jointly handled by MFS and Sprint via the meet-point arrangement, and should employ calendar month billing and provide appropriate usage data at no charge to facilitate such billing. See, Interconnection Order at 28, 37-39. Billing to third parties should be accomplished according to the single-bill/multiple tariff method, and subsequently, via other methods in accordance with MFS' position stated more specifically in the Testimony of Timothy Devine submitted with the Petition. Switched access charges to third parties should also be calculated in accordance with the regime delineated in such Testimony attached to the Petition.

SPRINT:

Sprint will provide MFS interconnection at the Sprint local tandem, the access tandem or a mid-span meet-point within the exchange. Sprint will also provide MFS with exchange access meet-point billing arrangements on the same terms and conditions as such arrangements are made available to other incumbent LECs.

STAFF:

No position at this time.

ISSUE 10:

What are the appropriate arrangements for trunking and signaling between MFS and Sprint?

MFS: MFS' proposal for trunking and signaling is set out in §§ 5.0 and 6.0 of the CIA. Sprint should exchange traffic between its network and MFS' network using reasonably efficient trunking and signaling arrangements. Interconnection using two-way trunk groups would be required wherever technically

feasible. The Commission ordered similar arrangements in its Interconnection Order. Furthermore, 47 U.S.C. § 251(c)(2) requires that MFS receive the same arrangements that Sprint offers other carriers. In addition, the FCC Order requires that Sprint interconnect using two-way trunk groups whenever technically feasible. 47 C.F.R. § 51.305(f).

SPRINT:

This issue has been decided by the Commission in Docket No. 950985-TP, Order No. PSC-96-0668-FOF-TP, pages 40 and 41. Sprint will provide MFS with interconnection for trunking and signaling at its tandems, end offices and at mid-span meets with two-way and/or one-way industry standard trunking facilities and signaling arrangements.

STAFF:

No position at this time.

ISSUE 11:

Is it appropriate for Sprint customers to be allowed to convert their bundled service to an unbundled service and assign such service to MFS, with no penalties, rollover, termination or conversion charges to MFS or the customer?

MFS: Yes. Such a "fresh look" provision implements the intent of the Act to promote and foster real consumer choice and competition in the market. The Commission has ordered such relief with respect to BellSouth. See Order No. PSC-96-0444-FOF-TP at 16-18 (recon. pending). Furthermore, this is a common consumer protection procedure adopted by this Commission in *Intermedia Communications of Florida, Inc.*, 1994 WL 118370 (Fla. P.S.C.), *reconsidered*, 1995 WL 579981 (Fla. P.S.C., Sep. 21, 1995), the FCC, and in various circumstances by the Commissions in New Jersey, California, and Ohio. See, CIA § 25.

SPRINT:

No. This issue has been decided by this Commission in Docket No. 950984-TP, Order No. PSC-96-0811-FOF-TP, pages 29 and 30. As MFS agreed in that proceeding, there are costs for converting bundled service to unbundled loops and that MFS should pay for the nonrecurring costs of conversion.

However, with respect to termination liability provisions, Sprint proposes that a customer may cancel an agreement with Sprint that contains a termination liability provision without incurring the termination liability during a brief period - not to exceed ninety (90) days - after MFS commences its marketing activities in Sprint's market area or the Commission approves a negotiated or arbitrated agreement, whichever occurs first. Any contractual relationship between a customer and Sprint entered into after the expiration of the initial 90-day period will not be subject to a "fresh look," and the termination liability provision will be fully enforceable if the customer cancels for any reason, including to take similar service from MFS. Additionally, any customer who takes advantage of this "fresh look" window should be eligible to return to Sprint within 90 days without incurring termination charges from MFS.

STAFF:

No position at this time.

ISSUE 12:

What are the appropriate arrangements for the following:

a. Interconnection between MFS and other collocated entities
b. 911 and E911
c. Directory listings and distribution
d. Directory assistance service
e. Yellow page maintenance
f. Transfer of service announcements
g. Coordinated repair calls
h. Busy line verification and interrupt
i. Information pages
j. Operator reference database

MFS: MFS believes that the service platforms identified in sub-parts (a) through (j) of Issue 12 should be shared by a competing carrier in order to permit customers to receive similar services. In further explanation and support of its position, MFS refers to the Direct Testimony of Timothy Devine filed with the Petition on July 17, 1996, at 50-55, and to the [proposed] comprehensive interconnection agreement dated July 3, 1996 also filed with the Petition on July 17, 1996 (the "CIA"). While noting that various provisions of the CIA may affect these issues, MFS refers to the following specific

provisions of the CIA, among others, as reflecting MFS' positions on the issues raised in Issue 12:

a. Interconnection between MFS and other collocated entities. See CIA §§ 4, 5, 9, and 12.
b. 911 and E911. See CIA § 18.
c. Directory listings and distribution. See CIA § 19.2.
d. Directory assistance service. See CIA § 19.3.
e. Yellow page maintenance. See CIA § 19.4.
f. Transfer of service announcements. See CIA § 17.
g. Coordinated repair calls. See CIA § 17.2.
h. Busy line verification and interrupt. See CIA § 7.2.
i. Information pages. See CIA § 19.5.
j. Operator reference database. See CIA § 16.

MFS also believes that the Interconnection Order (as defined in the Petition) adopted previously by this Commission supports its positions on a number of these issues. Standards should be adopted for interconnection facilities between MFS and other collocated facilities (see, Testimony; Interconnection Order at 50); provision of 911/E911 services (see, § 18.0 of the Interconnection Agreement; see also, Interconnection Order at 28-33); directory assistance (see, Testimony; see also Interconnection Order at 34-35); yellow page maintenance and transfer of service announcements; (see, Testimony; see also, Interconnection Order at 35-37); and for coordinated repair calls and operator reference database (see, Testimony; see also, Interconnection Order at 42-46).

SPRINT:

a. Sprint agrees to allow MFS, when it is collocated in Sprint's wire center, to have direct connections with other collocated entities as long as the cross-connecting facilities between MFS and the other entities are provided by Sprint. Sprint's position is consistent with the FCC Order, ¶¶ 594-95.

b. Sprint will provide MFS with interconnection to Sprint's 911/E911 service in the manner set forth in the Sprint Model Agreement, Exhibit No. WEC-2, Section VII.A.

c. United Telephone Company of Florida has secured agreement with Sprint Publishing and Advertising to include the traditional customer listing in the White Pages Directory for MFS' customers and distribute the directory at no charge to MFS. Central Telephone Company of Florida has its directory published by CenDon Partnership, a

partnership composed of Reuben H. Donnelley Corporation and Centel Directory Company. A similar agreement with CenDon does not exist. Sprint agrees to work with MFS in seeking the same arrangement for customer listings and distribution.

d. Sprint's position on Directory Assistance services is set forth in the Sprint Model Agreement, Exhibit No. WEC-2, Section VII.C. Basically, as required by the FCC Second Report and Order, ¶ 148, Sprint will comply with reasonable, technically feasible requests by MFS for the rebranding of directory assistance services in MFS' name. MFS will be responsible for the costs incurred by Sprint to implement such a request.

e. Sprint will work cooperatively with MFS to maintain appropriate records for billing of Yellow Pages advertising for customers transferring from Sprint to MFS.

f. Sprint's position on transfer of service announcements is set forth in the Sprint Model Agreement, Exhibit WEC-2, Section XVII.B.

g. Sprint's position with respect to coordinated repair calls is set forth in the Sprint Model Agreement, Exhibit No. WEC-2, Section XVII.C.

h. Sprint will work with MFS to jointly establish procedures to offer Busy Line Verification and Interrupt services on calls between MFS and Sprint's end users. Sprint will provide these retail services to MFS on a non-discriminatory basis at wholesale rates.

i. United Telephone Company of Florida has secured agreement with Sprint Publishing and Advertising to include consumer-oriented information about MFS in the White Pages Directory Information (Call Guide) pages at no cost. Central Telephone Company of Florida has its directory published by CenDon Partnership, a partnership composed of Reuben H. Donnelley Corporation and Centel Directory Company. A similar agreement with CenDon does not exist. Sprint agrees to work with MFS in seeking the same arrangement with these White Pages Directory Information publishers. However, these publishers have not agreed to allow MFS or any other competitive LEC to place its logo on these pages at no cost. MFS needs to

deal directly with the White Pages Directory publishers on this issue.

j. Sprint's position on operator reference database is set forth in the Sprint Model Agreement, Exhibit WEC-2, Section VII.A.2.

STAFF:

No position at this time.

ISSUE 13:

What are the appropriate physical collocation terms, conditions and rates?

MFS: MFS' position is stated in § 12.0 of the CIA and the proposed collocation agreement attached to the Rebuttal Testimony of Timothy Devine. The FCC adopted explicit national standards to implement the collocation requirements of the Act in the FCC Order. Those standards, which are minimum requirements, support the adoption of MFS' proposed collocation provisions. Collocation rates should be priced according to the standard of 47 U.S.C. § 252(d).

SPRINT:

Sprint's position on this issue is set forth in the Sprint Model Agreement, Exhibit No. WEC-2, Sections IV.A.5.a. and b., and 7.1. Basically, Sprint agrees to collocate MFS' local interconnection and transmission equipment, including loop concentration equipment, in Sprint's wire centers. MFS will be able to lease space under non-discriminatory tariff or contract terms from Sprint equal to the most favorable terms, including rates (provided such rates are based on market price) that Sprint otherwise makes such facilities available (including to other LECs, its own affiliates, and/or most favored customers).

STAFF:

No position at this time.

ISSUE 14:

Should the agreement be approved pursuant to Section 252(e) of the Act?

MFS: Yes. Section 252(e)(1) expressly requires that "any interconnection agreement adopted by negotiation or arbitration shall be submitted for approval to the State commission. A State commission to which an agreement is submitted *shall* approve or reject the agreement, with written findings as to any deficiencies." (Emphasis added.) Section 252(e)(2) provides that an arbitrated agreement must be reviewed against the requirements of section 251, including the FCC regulations prescribed thereunder, and the standards in section 252(d). Section 251 contemplates consideration of the "particular terms and conditions" of agreements necessary to implement that section. *See* § 251(c)(1).

SPRINT:

Yes. Any interconnection agreement adopted by negotiation or arbitration shall be submitted for approval to the state commission.

STAFF:

No position at this time.

VII. EXHIBIT LIST

WITNESS	PROFFERED BY:	I.D. NO.	DESCRIPTION
Timothy T. Devine	MFS	(TTD-1)	Examples of carrier logos contained with the call guide (information pages) of certain white page directories.

WITNESS	PROFFERED BY:	I.D. NO.	DESCRIPTION
Timothy T. Devine	MFS	(TTD-2)	A co-carrier agreement between Ameritech Illinois and an MFS subsidiary.
		(TTD-3)	A co-carrier agreement between New York Telephone Company and an MFS subsidiary.
		(TTD-4)	A co-carrier agreement between an MFS subsidiary and GTE.
		(TTD-5)	Excerpts from the Benchmark Cost Model.
		(TTD-6)	A co-carrier agreement between MFS and GTE of California Incorporated.
		(TTD-7)	A co-carrier agreement between MFS and Pacific Bell.

WITNESS	PROFFERED BY:	I.D. NO.	DESCRIPTION
Timothy T. Devine	MFS	(TTD-8)	A selection of the FCC interconnection rules to be codified in Title 47, Code of Federal Regulations, which were released August 8, 1996 (the "FCC Order").
		(TTD-9)	A co-carrier agreement between MFS and Southwestern Bell.
		(TTD-10)	A co-carrier agreement between MFS and Bell Atlantic-Maryland.
		(TTD-11)	A letter dated August 16, 1996 from Mr. Jack K. Burge of Sprint to Mr. Timothy T. Devine of MFS.
		(TTD-12)	An interim co-carrier agreement between MFS and GTE Florida Incorporated.
		(TTD-13)	A proposed collocation agreement.

WITNESS	PROFFERED BY:	I.D. NO.	DESCRIPTION
David N. Porter	MFS	(DNP-1)	Summary of the Costing Requirements from the FCC's Interconnection Order.
		(DNP-2)	An analysis and summary of the FCC Order.
		(DNP-3)	A loop deaveraging worksheet.
		(DNP-4)	Wire Centers by Zone
		(DNP-5)	Average Loop Length by Wire Center
		(DNP-6)	Census Block Data
William E. Cheek	Sprint	(WEC-1)	Essential elements annotated by MFS
		(WEC-2)	Sprint Interconnection and Resale Agreement
		(WEC-3)	Revised Section X
		(WEC-4)	Network Diagrams
James D. Dunbar, Jr.	Sprint	(JDD-1)	BCM 2 Methodology
Randy G. Farrar	Sprint	(RGF-1)	Local Interconnection Rate Development Summary

WITNESS	PROFFERED BY:	I.D. NO.	DESCRIPTION
Randy G. Farrar	Sprint	(RGF-2)	Interim Number Portability Summary

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

There are no proposed stipulations at this time.

IX. PENDING MOTIONS

On August 12, 1996, Sprint filed a Motion to Dismiss portions of MFS' petition. On August 19, 1996, MFS filed a response in opposition. On September 4, 1996, staff filed a recommendation so this motion can be resolved at the September 16, 1996 Agenda Conference.

X. RULINGS

At the Prehearing Conference, I ruled that Staff's proposed Issue 14 would be included in this proceeding and that MFS' proposed Issue 14 would not be included.

It is therefore,

ORDERED by Commissioner Julia L. Johnson, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Julia L. Johnson, as Prehearing Officer, this 17th day of September, 1996.

Julia L. Johnson, Commissioner
and Prehearing Officer

(S E A L)

LMB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.