

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

ORIGINAL

In the Matter of)
)
LAMBDA COMMUNICATIONS, INC.)
)
Emergency Petition for)
Rulemaking to Apply Expanded)
Interconnection Obligations to)
Puerto Rico Telephone Company)

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AT&T COMMENTS

Pursuant to Section 1.405 of the Commission's Rules, 47 C.F.R. § 1.405, AT&T Corp. ("AT&T") submits these comments on the above-captioned petition by Lambda Communications, Inc. ("Lambda") requesting the Commission to institute on an expedited basis a rulemaking to apply the expanded interconnection obligations of other Tier 1 local exchange carriers ("LECs") to the Puerto Rico Telephone Company ("PRTC").

In its proceedings in CC Docket 91-141, the Commission found that the public interest would be served by requiring large LECs to provide expanded interconnection to access customers, including competitive access providers ("CAPs"), interexchange carriers ("IXCs") and end users.¹ The Commission concluded that this

¹ See Expanded Interconnection with Local Exchange Carrier Facilities, CC Docket No. 91-141, Report and Order, 7 FCC Rcd 7369 (1992) ("First Report"), Second

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obligation should be limited to the "Tier 1" LECs (i.e., those with more than \$100 million in annual interstate revenues), to avoid the "undue hardship" that imposing that duty on smaller "Tier 2" carriers which in many cases serve "isolated markets."² However, although PRTC's revenue far exceed the threshold for Tier 1 treatment, and despite the fact that Puerto Rico hardly qualifies as an "isolated market," the Commission nevertheless exempted that carrier from the expanded interconnection obligation imposed on other Tier 1 LECs. Its sole stated rationale for doing so was that PRTC, as the only Tier 1 LEC participating in the NECA pool, would have "limited pricing flexibility[] to provide expanded interconnection"³ The Commission also stated that exempting PRTC for this reason was "not much more restrictive than requiring all Tier 1 LECs to provide expanded interconnection."⁴

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Report and Order and Third Notice of Proposed Rulemaking, 8 FCC Rcd 7341 (1993) ("Second Report"), recon., 9 FCC Rcd 5154 (1994), vacated in part sub nom. Bell Atlantic Tel. Cos. v. FCC, 24 F.3d 1441 (D.C. Cir 1994).

² First Report, 7 FCC Rcd at 7398.

³ Id.

⁴ Id. Although the Commission initially adopted this exemption for PRTC only for special access expanded interconnection, it subsequently adopted the exemption

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As Lambda compellingly demonstrates, the Commission's decision to exempt PRTC from providing expanded interconnection has seriously limited the introduction of access competition in the Puerto Rico market. As a result, IXCs such as AT&T and their customers have been denied the benefits of lower rates and new access service options available in other Tier 1 LEC service areas where expanded interconnection alternatives are now available as the direct result of the Commission's pro-competitive policies.⁵ Moreover, Lambda shows convincingly that nothing about the characteristics of the Puerto Rico market distinguishes it materially from other Tier 1 LEC service areas; to the contrary, Puerto Rico displays the same highly urbanized

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for switched access expanded interconnection as well. See Second Order, 8 FCC Rcd at 7399-7400.

⁵ One immediate and critical benefit of expanded interconnection would be to alleviate the lengthy delays in circuit provisioning that IXCs are now frequently subject to when dealing with PRTC. For example, AT&T currently has over 30 orders for installation of special access that have gone unfilled for periods of more than 200 days, despite the fact that PRTC has established an installation objective of 45 days (which, in itself, is longer than many other LECs' installation intervals). The competitive provision of local transport fostered by expanded interconnection could provide AT&T and other IXCs a choice of more responsive access suppliers, as well as create marketplace pressures to discipline PRTC's installation performance.

concentrations of telephone subscribers and traffic that typify LEC service territories in which expanded interconnection has become well-established. And, to the extent that per-capita income and telephone service penetration in Puerto Rico may lag that of the United States mainland, Lambda points out persuasively that the economic growth stimulus produced by expanded interconnection could actually lead to improvements both in the island economy and in the subscribership ratio.

AT&T thus strongly supports Lambda's request for a rulemaking to eliminate promptly PRTC's exemption from expanded interconnection obligations, which Lambda has shown flies in the face of the Commission's objectives for establishing collocation requirements. Moreover, the Commission's expressed concern that PRTC's participation in the NECA pools may deny it needed pricing flexibility to implement expanded interconnection successfully -- which was the sole premise of the current exemption -- is clearly erroneous. Even if PRTC maintains its participation in NECA (which, as Lambda correctly points out, is a purely voluntary decision on that LEC's part), that does not preclude NECA from filing tariff revisions on PRTC's behalf to accommodate expanded interconnection obligations imposed on PRTC.

Indeed, in closely analogous circumstances NECA previously has filed tariff revisions to effectuate other access duties imposed on PRTC by the Commission.

Specifically, in 1987 the Commission ordered PRTC to provide an interim form of access to off-island IXCs, pending the implementation of Feature Group D equal access.⁶ In response to that directive, NECA filed on PRTC's behalf a set of revisions to its standard Feature Group B tariff, providing for a set of three- and five-digit carrier-specific access codes and associated access rates for that offering, which the Commission after review allowed to take effect in early 1988.⁷ There is no reason to believe that a similar procedure will not be equally effective in allowing PRTC to implement a Commission directive finally to provide expanded interconnection, in the same manner as all other Tier 1 LECs.

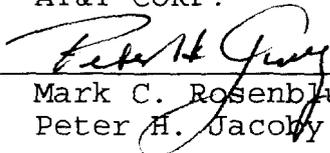
⁶ See Policies to be Followed in the Authorization of Common Carrier Facilities to Provide Service Off the Island of Puerto Rico, CC Docket No. 86-309, 2 FCC Rcd 6600 (1987).

⁷ See National Exchange Carrier Association (Transmittal Nos. 274 and 285), 3 FCC Rcd 899 (1988). NECA withdrew those tariff revisions in late 1990, after PRTC deployed Feature Group D access. See NECA Transmittal No. 431, filed December 12, 1990.

WHEREFORE, for the reasons stated above and in Lambda's petition, the Commission should institute on an expedited basis a rulemaking to apply expanded interconnection obligations to PRTC.

Respectfully submitted,

AT&T CORP.

By  _____
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Its Attorneys

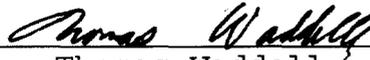
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November 22, 1995

CERTIFICATE OF SERVICE

I, Thomas Waddell, do hereby certify that on this 22nd day of November, 1995, a copy of the foregoing "AT&T Comments" was mailed by U.S. first class mail, postage prepaid, to the parties listed below.

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