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Public Service Commission

January 29, 2003

VIA ELECTRONIC FILING

Honorable Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW - Portals II, TW-A325
Washington, DC 20554

Re: WC Docket No. 02-269, Federal-State Joint Conference on Accounting Issues

Dear Ms. Dortch:

Forwarded herewith are Comments of the Florida Public Service Commission in the above referenced docket with regard to Accounting Issues.

Should you have additional questions, please contact Greg Fogleman, the primary staff person in this docket, at (850) 413-6574.

Sincerely,

/ s /

Cynthia B. Miller, Esquire
Office of Federal and Legislative Liaison

CBM:tys
cc: Brad Ramsay, NARUC
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**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Federal-State Joint Conference on Accounting Issues)	WC Docket No. 02-269
)	

**COMMENTS OF THE FLORIDA PUBLIC SERVICE COMMISSION
REGARDING ACCOUNTING ISSUES**

The Florida Public Service Commission (FPSC) submits these comments in response to the Public Notice (DA 02-3449) released by the Federal Communications Commission (FCC) on December 12, 2002, on behalf of the Federal-State Joint Conference on Accounting Issues (Joint Conference). The Joint Conference requested public comment with respect to its comprehensive review of regulatory accounting and related reporting requirements. Specifically, the Joint Conference seeks comment on a number of the issues that were addressed in the FCC's Phase II Accounting Order. In addition, the Joint Conference requested comment on broader questions, including whether there are additional accounting requirements that should be adopted in order to ensure that federal and state regulators have sufficient information to protect consumers, monitor the market place, and promote investment and competition.

Additional Accounts

We believe that changes in the industry and the ongoing implementation of local competition should be reflected in an accounting system through both additions and deletions. We are cognizant, however, that both the benefits and the costs associated with collecting and maintaining data should be considered. The accounts identified in the public notice are representative of the categories that many states proposed during the FCC's Phase II proceeding. Specifically, these accounts relate to switching,

loop and interoffice transport, interconnection and universal service. These additions appear to be appropriate and necessary to enable the FCC to maintain an up-to-date accounting system. These accounts should enable the FCC and states to continue to understand the nature of the ILECs' investment and ensure that prices are reflective of their actual costs. Moreover, such information should allow the FPSC to monitor issues such as technology deployment, collocation, and interconnection cooperation. The creation of expense and revenue accounts for UNE and interconnection should also aid states in administering the prices of these services.

Additional benefits obtained from the accounts under consideration could result from their usefulness to states in setting policy direction. Moreover, the addition of these accounts would help states and the FCC better understand the degree of local competition and enable regulators to take steps to address issues that may be relevant to the state of competition.

Respective Roles

There are many instances where states would not have the necessary information available in a comparable standard format, absent data collected by the FCC. For example, in Florida, the large ILECs are no longer rate base regulated and are not required to file financial reports or basic information with the FPSC. As a consequence, the only publicly available source of accounting data and information is that data reported in Automated Reporting Management Information System (ARMIS).

The ARMIS data is collected in a uniform and standard format. This, in turn, provides all states and the public with efficient and reliable access to critical data that is needed: (a) in establishing UNE

prices, interconnection rates, universal service support, and (b) in assessing service quality trends and network functionality, capabilities, and reliability. For these reasons, we believe that continued collection of ARMIS data is specifically in the public interest. Even if the data is used solely by the states, ARMIS provides the most efficient forum for collecting uniform, consistent, and comparable data among companies and it is used to carry out functions from the 1996 Telecommunications Act.. Establishing requirements at an individual state level endangers this uniformity and consistency and could result in more cost burden to the ILECs rather than less. Nonetheless, there is a balance that should be maintained relating to the public interest and the burden faced by carriers. We continue to support the FCC and the Joint Conference evaluation of data collected by the ARMIS reports and have no objections to eliminating the collection of obsolete data.

Conclusion

The FPSC supports the adoption of new accounts relating to switching, loop and interoffice transport, interconnection and universal service, so long as the benefits outweigh the costs. While we believe these new accounts are in the public interest and reflect the ongoing implementation of local competition, we are also mindful that a balance should be maintained relating to the public interest benefits and the cost burden faced by the carriers.

Additionally, the FPSC believes that the Communications Act specifically allows the FCC to collect data that is used solely by the states, if it is in the public interest. ARMIS provides the most efficient forum for collecting uniform, consistent, and comparable data among companies. Establishing requirements at an individual state level endangers this uniformity and consistency and could result in

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more cost burden to the ILECs rather than less. We continue to support the FCC and the Joint Conference evaluation of data collected by the ARMIS reports and have no objections to eliminating the collection of obsolete data.

Respectfully Submitted,

/ s /

Cynthia B. Miller, Esquire
Office of Federal & Legislative Liaison

DATED: January 29, 2003