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April 12, 2002

BY HAND DELIVERY
Ms. Blanca Bayó, Director
The Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 990649B-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc. are an original and fifteen copies of AT&T, MCI and FDN's Prehearing Statement in the above referenced docket. Also enclosed is a 3 1/2" diskette with the document on it in MS Word 97/2000 format.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,

Tracy W. Hatch

TWH/amb
Enclosures
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing of unbundled network elements	)))	Docket No. 990649B-TP Filed: April 12, 2002

JOINT PREHEARING STATEMENT OF AT&T, WORLDCOM, AND FDN

AT&T Communications of the Southern States, LLC ("AT&T"), WorldCom, Inc., on behalf of its Florida operating subsidiaries MCI WorldCom Communications, Inc., MCImetro Access Transmission Services, LLC, and Intermedia Communications, Inc. (collectively "WorldCom"), and Florida Digital Network, Inc. ("FDN"), through their undersigned counsel, submit this joint prehearing statement. The parties note that this prehearing statement pertains solely to the Verizon portion of the docket. FDN will file a separate prehearing statement regarding its positions for Sprint.

A. APPEARANCES

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B. WITNESSES

Witnesses	Issues
August H. Ankum, Ph.D. (proprietary and public)	1, 2 (a), 7 (a-c, g, k, m, o, v), (Rebuttal) 8 (a-f)
Gregory J. Darnell (Rebuttal – (styled as "Direct"))	1, 13
Warren R. Fisher (Rebuttal) (proprietary and public)	2 (a-b), 7 (b-c, t-v)
Sid Morrison (Rebuttal) (proprietary and public)	8 (a-f) 9

C. EXHIBITS

Number	Witness	Description
AHA-1	August H. Ankum, Ph.D.	Curriculum Vitae
AHA-2	August H. Ankum, Ph.D.	Financial Analysis (Declines in market capitalization)
AHA-3	August H. Ankum, Ph.D.	Relative Percentage of Cutover to Growth Lines Based on Ameritech Provided Growth Rates

AHA-4	August H. Ankum, Ph.D.	Comparison of Verizon's Recurring Costs in Florida, New York and New Jersey
AHA-5 Decline	August H. Ankum, Ph.D.	Diagrams for Market Capitalization And Total Market Capitalization
AHA-6	August H. Ankum, Ph.D.	Fill Factors
AHA-7	August H. Ankum, Ph.D.	COT and DLC Interfaces
AHA-8	August H. Ankum, Ph.D.	IDLC Technical Papers
AHA-9	August H. Ankum, Ph.D.	DS-1 Rate Comparison
AHA-10 (Proprietary)	August H. Ankum, Ph.D.	DS1 Fills
AHA-11 (Proprietary)	August H. Ankum, Ph.D.	Switch-Discounts Example
AHA-12 (Proprietary)	August H. Ankum, Ph.D.	Economic Lives
GJD-1 Experience	Gregory J. Darnell	Professional Background and
GJD-2	Gregory J. Darnell	Unbundled Network Elements Recurring Cost Summary
WRF-1	Warren R. Fischer	Background of Warren R. Fischer
WRF-2 (Proprietary)	Warren R. Fischer	Sprint Rate Banding Model-Recreated by QSI Consulting. Populated with data for a 2-wire loop w/ NID for Verizon
WRF-3 (Proprietary)	Warren R. Fischer	Sprint Rate Banding Model-Recreated by QSI Consulting. Populated with data for a 2-wire loop w/ NID for Verizon (Collapsed to Three Zones)

WRF-4 (Proprietary)	Warren R. Fischer	Sprint Rate Banding Model-Recreated by QSI Consulting. Populated with data for Hi Cap DS 1 for Verizon – Weighting on Total Access Lines
WRF-5 (Proprietary)	Warren R. Fischer	Sprint Rate Banding Model Recreated by QSI Consulting. Populated with data for Hi Cap DS 1 for Verizon – Weighting on Total Access Lines (Collapsed to Three Zones)
WRF-6	Warren R. Fischer	Excerpt from BellAtlantic's Form S-4 Filed with the SEC to Issue Shares in Conjunction with the Proposed Merger with GTE
SLM-1	Sidney L. Morrison	Verizon-Florida Wholesale Non-Recurring Study / Local Wholesale Elements Rate Summary
SLM-2	Sidney L. Morrison	Verizon-Florida Wholesale Non-Recurring Study / Ordering-NOREC / Manual Order Processing-Work Sampling Summary

D. BASIC POSITION

UNE rate levels are critically important to local competition. Verizon's Florida exchange network is fundamentally an inherited resource, which enjoys substantial economies of scale and scope and may still be a natural monopoly in many respects. One of the core reasons that the Telecommunications Act requires incumbents to offer UNEs is so that these inherited scale and scope economies can be *shared* by all providers. Without access to UNEs, Verizon's exclusive network would provide it essentially an insurmountable advantage. Indeed, the future of local competition is directly related to

UNE rates, for these rates will determine whether other entrants are provided access to this critical network resource equal to that which Verizon provides itself.

Verizon's filing fails to comply with the FCC's pricing rules and is not an open, verifiable and auditable model. . Most fundamentally, Verizon's model, the Integrated Cost Model ("ICM"), does not model the least-cost, most-efficient network design and cannot be used to produce UNE rates that comply with the FCC's pricing rules. In general, Verizon's UNE rates proposed in this proceeding are excessively high, are many times higher than Verizon's rates in other jurisdictions the UNE rates proposed by Verizon, and are inconsistent with UNE prices for other states in Verizon's local exchange territory and inconsistent with UNE prices set for other ILECs in the state of Florida. This is inappropriate. Verizon is the nation's largest ILEC and should be able to capitalize on the efficiencies of scale and scope afforded by the size of its operations. Given that the former GTE operations now operate as part of Verizon, the studies and rates should be evaluated not just against the FCC's TELRIC standard, but against Verizon filings in other states as well as those of similar large ILECs such as BellSouth. Such comparisons can point the Commission to inconsistencies in company positions that may adversely affect the public interest in Florida. Essentially, these other rates act as a "sanity check" for the Commission when its sets TELRIC-based rates for Verizon.

The ICM as filed in this proceeding is not auditable. Moreover, certain types of assumptions are embedded in the software program and cannot be altered in order to compare various possible outcome scenarios. Consequently, Verizon's proposed rates are based on "black box" calculations that have not been audited or verified by Staff or intervenors. This is in comparison to other Verizon states, in which Verizon has provided models that are completely open and which can be audited and edited on a cell-by-cell basis.

AT&T/WorldCom/FDN, instead, propose, on an interim basis not subject to true-up, that the Commission apply the rates found in Exhibit GJD-2 for recurring UNEs, which are those that AT&T and WorldCom proposed in the BellSouth 120-day proceeding. For UNE elements not contained in this exhibit, the Commission should apply the rates it determined in its BellSouth UNE Orders. The AT&T/WorldCom rate proposal in Docket No. 990649A-TP is consistent with FCC pricing rules and the UNE prices set for Verizon in other state proceedings, and will encourage the development of local competition. Given the demographic and geographic structure of Verizon-Florida and BellSouth's Florida territory, it is reasonable to assume that cost-based UNE rates in Verizon's Florida territory should be slightly less than cost-based UNE rates in BellSouth's Florida territory. Further, Verizon is larger than BellSouth and should, therefore, enjoy additional economies of scale in several respects, which should serve to further lower Verizon's forward-looking cost as compared to BellSouth's. Therefore, BellSouth Florida UNE rates, as proposed by AT&T/WorldCom/FDN, should be established for monthly recurring UNE rates on an interim basis not subject to true-up, until a direct determination of TELRIC can be made for Verizon's Florida territory. Verizon's non-recurring rates should be reduced in accordance with the proposal made by Sidney L. Morrison.

E. ISSUES AND POSITIONS

ISSUE 1: What factors should the Commission consider in establishing rates and charges for UNEs (including deaveraged UNEs and UNE combinations)?

AT&T/WCOM/FDN'S Position:

UNE rates should equal the forward-looking economic cost of providing the network element and should be calculated using an open and verifiable scorched-node cost model. The FCC has directed that computerized cost models allow one to alter inputs and determine the effect on cost estimates. The ICM, however, is not a transparent, verifiable, reliable model, open to review and capable of accommodating changed inputs and assumptions. Moreover, there is a large number of errors in the ICM, which creates unreasonably high UNE rates.

The ICM does not model the least-cost, most-efficient network design and cannot be used to produce UNE rates that comply with the FCC's pricing rules or this Commission's previous UNE pricing decisions. Verizon's ICM and witnesses continue to rely on GTE's embedded operations and fail to reflect the post-BellAtlantic/GTE merger environment. Verizon, as the nation's largest ILEC, should be able capitalize on the efficiencies of scale and scope afforded by the size of its operations.

The Commission should apply the FCC's pricing rules and TELRIC principles delineated in the FCC's First Report and Order and reject Verizon's attempts to erect additional barriers to competitive local telecommunication market entry through the establishment of non-cost based and unreasonably high UNE rates.

ISSUE 2: (a) What is the appropriate methodology to deaverage UNEs and what is the appropriate rate structure for deaveraged UNEs?

AT&T/WCOM/FDN'S Position:

The Commission should reject Verizon's statewide average rate proposal, and instead require Verizon to geographically deaverage UNE loop rates at the wire center level, using a defined measure of cost variation that creates zones based on cost differences. The objective of UNE loop rate deaveraging should be to place loops with similar cost characteristics in the same deaveraged rate zone so that the rates paid for wholesale UNE loops more closely reflect their FLEC. The Commission must not approve the application of a deaveraging methodology where only a limited number of geographic areas have competitive activity and where it is not economical outside those areas.

(b) For which of the following UNEs should the Commission set deaveraged rates?

(1) loops (all);
(2) local switching;
(3) interoffice transport (dedicated and shared);
(4) other (including combinations).

AT&T/WCOM/FDN'S Position: All loops, subloops and UNE combinations containing loops or subloops should be deaveraged.

ISSUE 3: (a) What are xDSL capable loops?

AT&T/WCOM/FDN'S Position: xDSL capable loops are loops that are capable of providing xDSL services without any modification.

(b) Should a cost study for xDSL-capable loops make distinctions based on loop length and/or the particular DSL technology to be deployed?

AT&T/WCOM/FDN'S Position: No specific position at this time; however, any cost study for xDSL-capable loops, as well as for any UNE, should be based on the forward-looking economic cost, which assumes the most-efficient telecommunications technology currently available and lowest-cost network configuration.

ISSUE 4: (a) Which subloop elements, if any, should be unbundled in this proceeding, and how should prices be set?

(b) How should access to such subloop elements be provided, and how should prices be set?

AT&T/WCOM/FDN'S Position: No specific position at this time; however, any cost study for subloops, as well as for any UNE, should be based on the forward-looking economic cost, which assumes the most-efficient telecommunications technology currently available and lowest-cost network configuration.

ISSUE 5: For which signaling networks and call-related databases should rates be set?

AT&T/WCOM/FDN'S Position: No specific position at this time; however, any cost study for signaling networks and call-related databases, as well as for any UNE, should be based on forward-looking economic cost , which assumes the most-efficient telecommunications technology currently available and lowest-cost network configuration. Moreover, Verizon's proposed rate structure for these UNEs is unacceptable, because it requires separate queries for set-up and transport. For ease of administration, the structure should be one price for set –up and transport queries.

ISSUE 6: Under what circumstances, if any, is it appropriate to recover non-recurring costs through recurring rates?

AT&T/WCOM/FDN'S Position: Generally, recovery of one-time costs incurred for the benefit of one customer should be through non-recurring costs. One time costs incurred for the benefit on many customers or that provides Verizon future value, such as the removal of load coils and bridge tap for the provision of basic and advanced services, is investment and should be recovered through recurring rates over the life of the investment. If the Commission finds high NRCs after application of proper rate design, they may be recovered over a reasonable period or in several installments.

ISSUE 7: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking recurring UNE cost studies?

(a) network design (including customer location assumptions);

AT&T/WCOM/FDN'S Position:

The ICM fails to determine the actual location of any customers, and erroneously assumes that customers are equally distributed throughout a fixed arbitrary grid. This results in an excessive amount of plant being modeled and placed to locations where customers do not exist. The ICM fails to consider that for larger buildings, it is less expensive to place the remote terminal on the customer premises, thus avoiding the use of expensive copper feeder and distribution facilities.

(b) depreciation;

AT&T/WCOM/FDN'S Position:

The Commission should reject Verizon's financial reporting lives for depreciation and should require Verizon to re-run its cost studies using the range of FCC approved lives. Alternatively, the Commission should adopt the lives approved for BellSouth in Docket No. 990649A-TP.

(c) cost of capital;

AT&T/WCOM/FDN'S Position:

The Commission should reject Verizon's use of a 12.95% cost of capital and should require Verizon to re-run its cost studies using a cost of capital no higher than the 10.24% approved for BellSouth and no lower than the 8.8% approved for Verizon in New Jersey. The Commission should require that equity comprise no more than 60% of Verizon's capital structure.

(d) tax rates;

AT&T/WCOM/FDN'S Position: No position at this time.

(e) structure sharing;

AT&T/WCOM/FDN'S Position: No position at this time because Verizon's ICM is not a transparent, verifiable, reliable model, and it is not open to review and capable of accommodating changes to inputs and assumptions.

(f) structure costs;

AT&T/WCOM/FDN'S Position: No position at this time because Verizon's ICM is not a transparent, verifiable, reliable model, and it is not open to review and capable of accommodating changes to inputs and assumptions.

(g) fill factors;

AT&T/WCOM/FDN'S Position:

Verizon's fill factors are generally too low and do not reflect a forward-looking, least-cost network built for a reasonable projection of actual demand. Verizon has included large amounts of spare facilities to accommodate anticipated growth in demand by future customers, which is inappropriate in a TELRIC setting. Because the ICM's algorithms are cumbersome if not impossible to audit, one cannot determine for the various components of the loop what the fill factors are, and, specifically, how and where in the model the fill factors are applied. The Commission should find the fill factors to be no lower than 90%.

(h) manholes;

AT&T/WCOM/FDN'S Position: No position at this time because Verizon's ICM is not a transparent, verifiable, reliable model, and it is not open to review and capable of accommodating changes to inputs and assumptions.

(i) fiber cable (material and placement costs);

AT&T/WCOM/FDN'S Position: No position at this time because Verizon's ICM is not a transparent, verifiable, reliable model, and it is not open to review and capable of accommodating changes to inputs and assumptions.

(j) copper cable (material and placement costs);

AT&T/WCOM/FDN'S Position: No position at this time because Verizon's ICM is not a transparent, verifiable, reliable model, and it is not open to review and capable of accommodating changes to inputs and assumptions.

(k) drops;

AT&T/WCOM/FDN'S Position:

Verizon's assumed drop lengths are too long. The length of drop and entrance cables modeled by ICM is not accurate and is too long. No position at this time regarding a specific recommendation because Verizon's ICM is not a transparent, verifiable, reliable model, and it is not open to review and capable of accommodating changes to inputs and assumptions.

(l) network interface devices;

AT&T/WCOM/FDN'S Position: No position at this time.

(m)digital loop carrier costs;

AT&T/WCOM/FDN'S Position:

Next Generation IDLC technology, not UDLC technology as Verizon proposed, is the least-cost, forward-looking technology. Verizon's studies fail to reflect an appropriate concentration ratio for IDLC-based loops. The ICM inappropriately assumes that DLC equipment is placed beyond a predetermined fiber-copper cross-over point; however, this assumption cannot be easily changed within the ICM. Moreover, the ICM fails to place the remote terminal as close to the customer as possible to capitalize on the efficiencies of the relatively inexpensive fiber facilities, and therefore assumes too much copper in the feeder and distribution links. Further, the ICM hard-codes the use of a secondary serving area interface, which increases the use of copper facilities.

(n) terminal costs;

AT&T/WCOM/FDN'S Position: No position at this time.

(o) switching costs and associated variables;

AT&T/WCOM/FDN'S Position:

The GTD-5 should be eliminated from the forward-looking, least-cost technology mix. The appropriate weighing for new switches and growth lines is 72% and 28% respectively.

Verizon's rate proposal that requires ALECs to purchase features on an a la carte basis is generally anticompetitive and artificially inflates recurring and non-recurring charges and should be rejected. Monthly switch port charges should include the availability and use of all features.

The current and forward-looking switching and transport architecture for voice and advanced services includes ATM switching and transport. Therefore, the Commission should require Verizon to include ATM transport and switching costs in the development of tandem switching rates and interoffice transport.

(p) traffic data;

AT&T/WCOM/FDN'S Position: No position at this time.

(q) signaling system costs;

AT&T/WCOM/FDN'S Position: No position at this time.

(r) transport system costs and associated variables;

AT&T/WCOM/FDN'S Position: No position at this time.

(s) loadings;

AT&T/WCOM/FDN'S Position:

No position as to the appropriateness of Verizon's loading factors other than our review of Verizon's workbooks containing loading factors for loop material and placement cost calculations indicates that Verizon has provided no explanation of how these loading factors were derived.

(t) expenses;

AT&T/WCOM/FDN'S Position:

Verizon has overstated the maintenance and support factors for recurring UNE costs by overstating operating expenses using a "tops-down" methodology. Verizon also overstates the investment values used to calculate the capital carrying costs of support assets. The Commission should reject Verizon's use of C.A. Turner indices to inflate investment and its use of ICM investment in expense-to-investment calculations. The Commission should require Verizon to derive forward-looking expenses through a "bottoms up" determination of the expenses needed to operate and support a forward-looking network.

(u) common costs;

AT&T/WCOM/FDN'S Position:

The Commission should reject Verizon's common cost recovery of 14.09% as excessive. The Commission should require Verizon: 1) to properly account for its realized and expected merger savings and to determine a common cost factor that is consistent with Verizon being one of the largest ILECs in the country; 2) to use the common cost factor based on total regulated revenue with consideration given to a smaller allocation of common costs to UNE loops; 3) to apply the common cost factor to deaveraged rates as a percentage; and 4) to remove lobbying, legal, and regulatory costs from its common cost factor that are adverse to ALEC interests.

(v) other.

AT&T/WCOM/FDN'S Position: No position at this time regarding EELs because Verizon's ICM is not a transparent, verifiable, reliable model, and it is not open to review or capable of accommodating changes to inputs and assumptions.

<u>ISSUE 8</u>: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking non-recurring UNE cost studies?

(a) network design;

(b) OSS design;

(c) labor rates;
(d) required activities;
(e) mix of manual versus electronic activities;
(f) other.

AT&T/WCOM/FDN'S Position:

NRCs should be based on forward-looking, least-cost processes and exclude the need for expensive labor-intensive manual processes. It is unreasonable for Verizon, the largest ILEC in the nation, to propose rates based on ordering and provisioning costs that are largely attributable to manual processes, and which substantially exceed those of other similarly-situated ILECs. Further, this Commission and the FCC require that ILECs provide electronic and seamless ordering and provisioning to the extent possible. Verizon's proposal fails this objective. Costs also are overstated based on an excessive cost of capital rate, and for Verizon's financial reporting lives for its depreciative component of its NRC capital cost factor. Verizon's non-recurring cost model is needlessly complex, contains hard-coded values that make it impossible to determine their source or veracity, and includes unreasonable and unsupported assumptions and unsubstantiated work times. Because we are unable to determine how Verizon developed these costs, Verizon may have included OSS-related charges that should be addressed at a later date, as the Commission has previously determined. Verizon's cost model overstates ordering charges by approximately 50% and overstates provisioning charges by more than 66%.

The Commission should reduce all of Verizon's NRCs that are specific to ordering activities to 50% and those specific to provisioning activities to 33% of

Verizon's proposed rate. The Commission should apply these two "reduction factors" for those NRCs not specifically recalculated. For specifically recalculated NRCs, the Commission should require Verizon to use rates set forth on page 7 of the pre-filed testimony of Sidney L. Morrison. The Commission should reject Verizon's National Open Market Centers expenses, or alternatively require Verizon to adjust costs for appropriate cost of capital and depreciation assumptions.

ISSUE 9: (a)What are the appropriate recurring rates (averaged or deaveraged as the case may be) and non-recurring charges for each of the following UNEs?

(1) 2-wire voice grade loop;
(2) 4-wire analog loop;
(3) 2-wire ISDN/IDSL loop;
(4) 2-wire xDSL-capable loop;
(5) 4-wire xDSL-capable loop;
(6) 4-wire 56 kbps loop;
(7) 4-wire 64 kbps loop;
(8) DS-1 loop;
(9) high capacity loops (DS3 and above);
(10) dark fiber loop;
(11) subloop elements (to the extent required by the Commission in Issue 4);
(12) network interface devices;
(13) circuit switching (where required);
(14) packet switching (where required);
(15) shared interoffice transmission;
(16) dedicated interoffice transmission;
(17) dark fiber interoffice facilities;
(18) signaling networks and call-related databases;
(19) OS/DA (where required).

AT&T/WCOM/FDN'S Position:

The Commission should set Verizon's recurring UNE rates as proposed in Exhibit GJD-2, and set the remaining Verizon recurring UNEs at the rates approved by the Commission for BellSouth in Order No. PSC-01-1181-FOF-TP, issued May 25, 2001, and Order No. PSC-01-2132-PCO-TP, issued October 29, 2001. The Commission should establish these monthly recurring UNE rates on an interim basis, not subject to true-up, until a direct determination of TELRIC can be made for Verizon-FL's territory.

For non-recurring rates for the unbundled loop (exchange-basic-initial/ ordering and service connection), unbundled port (exchange-basic-initial/ ordering and service connection) and EEL (initial/ ordering and service connection), the Commission should set rates as recommended in Issue 8.

(b) Subject to the standards of the FCC's Third Report and Order, should the Commission require ILECs to unbundle any other elements or combinations of elements? If so, what are they and how should they be priced?

AT&T/WCOM/FDN'S Position: No position at this time.

ISSUE 10: What is the appropriate rate, if any, for customized routing?

AT&T/WCOM/FDN'S Position: No position at this time.

ISSUE 11(a): What is the appropriate rate if any, for line conditioning, and in what situations should the rate apply?

AT&T/WCOM/FDN'S Position:

TheFCC's UNE Remand Order states that a forward-looking network would not require voice-enhancing devices (i.e., disturbers such as load coils and repeaters) on loops of 18,000 feet or shorter. Any cost recovery for line conditioning, including non-recurring costs, must comply with the FCC's TELRIC pricing rules. Thus, there is no cost-based need to impose any recurring or nonrecurring line conditioning charges on loops that are less than 18,000 feet in length. Moreover, it would never be appropriate to recover any incremental line conditioning investment through a nonrecurring charge.

ISSUE 11(b): What is the appropriate rate, if any, for loop qualification information, and in what situations should the rate apply?

AT&T/WCOM/FDN'S Position: No position at this time.

ISSUE 12: Without deciding the situations in which such combinations are required, what are the appropriate recurring and non-recurring rates for the following UNE combinations:

(1) "UNE platform" consisting of: loop (all), local (including packet, where required) switching (with signaling), and dedicated and shared transport (through and including local termination);

AT&T/WCOM/FDN'S Position:

The Commission should set Verizon's recurring UNE rates as proposed in Exhibit GJD-2, and set the remaining Verizon recurring UNEs at the rates approved by the Commission for BellSouth in Order No. PSC-01-1181-FOF-TP, issued May 25, 2001, and Order No. PSC-01-2132-PCO-TP, issued October 29, 2001. The Commission should establish these monthly recurring UNE rates on an interim basis, not subject to true-up, until a direct determination of TELRIC can be made for Verizon-FL's territory.

For non-recurring rates for the unbundled loop (exchange-basic-initial/ ordering and service connection), unbundled port (exchange-basic-initial/ ordering and service connection) and EEL (initial/ ordering and service connection), the Commission should set rates as recommended in Issue 8.

(2) "extended links," consisting of:

(1) loop, DSO/1 multiplexing, DS1 interoffice transport;
(2) DS1 loop, DS1 interoffice transport;
(3) DS1 loop, DS1/3 multiplexing, DS3 interoffice transport.

AT&T/WCOM/FDN'S Position:

Regarding EELs, Verizon's rates for multiplexing are a multiple of those charged by other ILECs and by Verizon itself in other jurisdictions. The source of the inflated costs cannot be determined with certainty. See also position for Issue 12(1).

ISSUE 13: When should the recurring and non-recurring rates and charges take effect?

AT&T/WCOM/FDN'S Position:

The rates advocated by AT&T/WorldCom should be established for monthly recurring UNE rates on an interim basis, until a direct determination of TELRIC can be made for Verizon's Florida territory. The rates for recurring and non-recurring charges should become effective on the date of the Commission vote.

F. PROPOSED STIPULATIONS

AT&T/WorldCom/FDN propose the following stipulations:

1) Monthly recurring UNE Rates as follows:

Verizon – Florida					

Wholesale UNE Pricing Schedule					
OFFER TO STIPULATE CERTAIN RATES					
Description	Ordering		Service Connection		Monthly Recurring Rate
	100% Manual	Semi-Mech.	Initial Unit	Add'l Unit	
(6) LOCAL TRANSPORT					
Common/Shared Transport					
MRC - Transport Facility (per MOU times ALM)					$0.0000008
MRC - Transport Termination (per MOU times Term)					$0.0001046
Inter-office Dedicated Transport					
MRC - IDT DS-1 Transport Facility per ALM					$0.30
MRC - IDT DS-1 Transport per Termination					$27.04
MRC - IDT DS-3 Transport Facility per ALM					$1.48
MRC - IDT DS-3 Transport per Termination					$66.04
CLEC Dedicated Transport					
MRC - CDT DS-1					$72.02
MRC - CDT DS-3					$688.08
Multiplexing					
MRC - DS1 to Voice Grade Multiplexing					$187.86
MRC - DS1 to DS3 Multiplexing					$305.00

2) DEAVERAGING.

All loops, subloops, and UNE combinations containing loops or subloops, should be deaveraged according to Verizon's deaveraging proposal identified in Exhibit DBT-3 attached to witness Trimble's prefiled direct testimony.

G. PENDING MOTIONS

1) AT&T and WorldCom's Motion to Compel Discovery From Verizon, filed April 3, 2002.

2) A&T and WorldCom's Second Motion to Compel Discovery From Verizon, filed April 8, 2002.

H. REQUIREMENTS THAT CANNOT BE COMPLIED WITH

All requirements of the procedural order have been met by AT&T, WorldCom, and FDN.

Dated, this 12th day of April, 2002.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of AT&T, MCI and FDN's Prehearing Statement in Docket 990649B-TP has been served on the following parties by Hand Delivery (*), and/or U. S. Mail this 12th day of April, 2002.

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