**FLORIDA PUBLIC SERVICE COMMISSION**

**VOTE SHEET**

**APRIL 18, 2001**

RE: DOCKET NO. 990649-TP - Investigation into pricing of unbundled network elements.

ISSUE A: What is the current state of the law with regard to the use of a forward-looking cost methodology for computing rates for unbundled network elements?

RECOMMENDATION: The FCC rules regarding the use of a forward-looking cost methodology for computing rates for unbundled network elements, including the use of an efficient network configuration as a facet of total element long-run incremental cost (TELRIC), remain in effect. The United States Court of Appeals for the Eighth Circuit stayed its decision rejecting the TELRIC standard pending the disposition of any petitions for certiorari. Petitions were filed and certiorari was granted by the Supreme Court. However, the FCC and the 8th Circuit are in agreement on the use of a forward-looking cost methodology, and that aspect of FCC Rule 51.505(b) will be unaffected by the Supreme Court's review.

# APPROVED

**COMMISSIONERS ASSIGNED:** JC DS JB

**COMMISSIONERS' SIGNATURES**

| MAJORITY | DISSENTING |
|---|---|
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**REMARKS/DISSENTING COMMENTS:**

DOCUMENT NUMBER-DATE

04819 APR 18 ≡

FPSC-RECORDS/REPORTING

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ISSUE B: Based on the current state of the law set forth in issue A, what
is the Commission's authority to establish rates for unbundled network
elements at this time?
RECOMMENDATION: Pursuant to 47 U.S.C. §§ 251(c)(2)(D), 251(c)(3), and
252(d), as well as Section 364.161, Florida Statutes, the Commission has
the authority to establish rates for unbundled network elements at this
time. It is unlikely that the rates as established would be adjusted for
at least 2 years, given the Supreme Court's past time frame for deciding
such issues, and the process for then bringing the matter before the
Commission. As outlined in Issue A, the FCC's rules regarding pricing
methodology remain in effect as a result of the Eighth Circuit Court of
Appeals stay of its decision invalidating the use of the most efficient
network configuration.

# APPROVED

ISSUE 1: What factors should the Commission consider in establishing rates
and charges for UNEs (including deaveraged UNEs and UNE combinations)?
RECOMMENDATION: UNE rates should be set using the forward-looking cost
standards authorized by Section 252(d)(1) of the 1996 Telecommunications
Act, the FCC's rules and orders implementing that section of the Act, and
the court decisions that affect those rules and orders.

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ISSUE 2(a): What is the appropriate methodology to deaverage UNEs and what
is the appropriate rate structure for deaveraged UNEs?
RECOMMENDATION: Staff recommends that those UNEs recommended to be
deaveraged in Issue 2(b) be deaveraged into three zones using the
methodology described in staff's memorandum dated April 6, 2001 in this
issue.

**MODIFIED** *Final scenario ("Collapsing original zones 1+2 into New Zone 1 and Collapsing original Zones 3+4 into New Zone 3") on attached staff handout approved.*

ISSUE 2(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).
RECOMMENDATION: Staff recommends that the recurring costs of all varieties
of loops below DS3, sub-loops, and combinations containing such loops,
should be deaveraged in this proceeding.

**APPROVED**

|  | A | B | C | D | E |
|---|---|---|---|---|---|
| 1 |  | A.1.1 | 2-Wire Analog Voice Grade Loop - Service Level 1 | | |
| 2 | Wire Center | Total Number of Loops | Monthly Cost per Line (TELRIC) | Total Monthly Cost (TELRIC) | Indexed to Average |
| 199 |  |  |  |  |  |
| 200 | Total | 6,552,409 | $ 16.47 | $ 107,930,864 |  |
| 201 |  |  |  |  |  |
| 202 | .75 Scenario |  |  |  |  |
| 203 | Zone | 1 | 2 | 3 | 4 |
| 204 | Average Monthly Cost per Line (TELRIC) | $ 11.54 | $ 16.41 | $ 28.58 | 45.63 |
| 205 | Number of Wirecenters | 21 | 130 | 28 | 17 |
| 206 | Total Number of Loops | 797,980 | 5,476,376 | 225,688 | 52,365 |
| 207 |  |  |  |  |  |
| 208 | A.1.1 Ratio's | 0.7004 | 0.9964 | 1.7351 | 2.7699 |
| 209 |  |  |  |  |  |
| 210 | .90 Scenario |  |  |  |  |
| 211 | Zone | 1 | 2 | 3 | 4 |
| 212 | Average Monthly Cost per Line (TELRIC) | 13.22 | 17.94 | 35.88 | 55.17 |
| 213 | Number of Wirecenters | 54 | 112 | 23 | 7 |
| 214 | Total Number of Loops | 2,541,184 | 3,897,956 | 94,867 | 18,402 |
| 215 |  |  |  |  |  |
| 216 | A.1.1 Ratio's | 0.8027 | 1.0889 | 2.1780 | 3.3492 |
| 217 |  |  |  |  |  |
| 218 | .85 Scenario | 0-.85 | .86-1.70 | 1.71-2.55 | 2.56+ |
| 219 | Zone | 1 | 2 | 3 | 4 |
| 220 | Average Monthly Cost per Line (TELRIC) | 12.39 | 17.13 | 33.25 | 52.69 |
| 221 | Number of Wirecenters | 37 | 108 | 25 | 9 |
| 222 | Total Number of Loops | 1,543,962 | 3,854,671 | 132,790 | 23,764 |
| 223 |  |  |  |  |  |
| 224 | A.1.1 Ratio's | 0.7524 | 1.0401 | 2.0186 | 3.1991 |
| 225 |  |  |  |  |  |
| 226 | .85 Scenario | 0-.85 | .86-1.70 | 1.71+ |  |
| 227 | Zone | 1 | 2 | 3 |  |
| 228 | Average Monthly Cost per Line (TELRIC) | 12.39 | 17.13 | 36.20 |  |
| 229 | Number of Wirecenters | 37 | 108 | 34 |  |
| 230 | Total Number of Loops | 1,543,962 | 3,854,671 | 156,554 |  |
| 231 |  |  |  |  |  |
| 232 | A.1.1 Ratio's | 0.7524 | 1.0401 | 2.1978 |  |

| | A | B | C | D | E | F |
|---|---|---|---|---|---|---|
| 1 | | A.1.1 | 2-Wire Analog Voice Grade Loop - Service Level 1 | | | |
| 2 | Wire Center | Total Number of Loops | Monthly Cost per Line (TELRIC) | Total Monthly Cost (TELRIC) | Indexed to Average | |
| 233 | | | | | | |
| 234 | *Sprint Scenario* | | | | | |
| 235 | Zone | 1 | 2 | 3 | 4 | 5 |
| 236 | Average Monthly Cost per Line (TELRIC) | $ 8.14 | $ 12.80 | $ 17.20 | 30.63 | 50.46 |
| 237 | Number of Wirecenters | 4 | 40 | 110 | 31 | 11 |
| 238 | Total Number of Loops | 25,605 | 1,864,157 | 4,433,430 | 199,217 | 30,000 |
| 239 | | | | | | |
| 240 | A.1.1 Ratio's | 0.4939 | 0.7773 | 1.0440 | 1.8594 | 3.0632 |
| 241 | | | | | | |
| 242 | *Sprint Scenario Collapsing Original Zones 1 & 2 into New Zone 1* | | | | | |
| 243 | Zone | 1 | 2 | 3 | 4 | |
| 244 | Average Monthly Cost per Line (TELRIC) | $ 12.74 | $ 17.20 | 30.63 | 50.46 | |
| 245 | Number of Wirecenters | 44 | 110 | 31 | 11 | |
| 246 | Total Number of Loops | 1,889,762 | 4,433,430 | 199,217 | 30,000 | |
| 247 | | | | | | |
| 248 | A.1.1 Ratio's | 0.7734 | 1.0440 | 1.8594 | 3.0632 | |
| 249 | | | | | | |
| 250 | *Sprint Scenario Collapsing Original Zones 1 & 2 into New Zone 1 and Collapsing Original Zones* | | | | | |
| 251 | *3 & 4 into New Zone 3* | | | | | |
| 252 | Zone | 1 | 2 | 3 | | |
| 253 | Average Monthly Cost per Line (TELRIC) | $ 12.74 | $ 17.20 | 33.22 | | |
| 254 | Number of Wirecenters | 44 | 110 | 42 | | |
| 255 | Total Number of Loops | 1,889,762 | 4,433,430 | 229,217 | | |
| 256 | | | | | | |
| 257 | A.1.1 Ratio's | 0.7734 | 1.0440 | 2.0170 | | |

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ISSUE 3(a):   What are xDSL capable loops?
ISSUE 3(b):   Should a cost study for xDSL-capable loops make distinctions
based  on loop length and/or the particular DSL technology to be deployed?
RECOMMENDATION: At the present time, xDSL-capable loops are designed copper
loops that are 18,000 feet in length or shorter that do not contain any
impediments such as repeaters, load coils, or excessive bridged taps.  A
cost study for copper-based xDSL-capable loops may make distinctions based
on loop length.
    Staff recommends that BST be required to submit a cost study for
hybrid copper/fiber xDSL-capable loops within 120 days from the order in
this proceeding.  Staff also recommends that BST be required to file
modified versions of its xDSL nonrecurring cost studies, which exclude 1)
the DLR, 2) a test point, and 3) order coordination.  ~~Further, BellSouth
should submit a proposed charge, if any, for a guarantee that the DSL loop
will not be rolled to another facility.~~  The nonrecurring items should be
provided in conjunction with the aforementioned hybrid copper/fiber
recurring cost study within 120 days of the date of the order in this
proceeding.  Thereafter, an expedited hearing should be scheduled to
address whether revisions and true-ups are warranted to the DSL rates the
Commission sets in this instant proceeding.  The refiling should include
all BellSouth assumptions used in developing the recurring and nonrecurring
costs, the basis and source data for BST's input values, and a clear
identification and listing of all input values.

**MODIFIED**   Further, at the request of an ALEC, BellSouth
will provision an 'SL-1 loop and guarantee
not to convert it to an alternative
technology. (Recommendation was approved
with noted modifications.)

ISSUE 3(b):   Should a cost study for xDSL-capable loops make distinctions
based on loop length and/or the particular DSL technology to be deployed?
RECOMMENDATION:   See staff's recommendation in Issue 3(a).

See above

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ISSUE 4(a): Which subloop elements, if any, should be unbundled in this proceeding, and how should prices be set?
RECOMMENDATION: BellSouth should be required to unbundle the following subloop elements, consistent with the FCC's Third Report and Order: Network Interface Device, Sub-Loop Feeder, Sub-Loop Distribution, Intra-building Network Cable, Network Terminating Wire, and unbundled sub-loop concentration. Prices should be set as determined by the Commission's rulings on Issues 4(b),7 and 8.

# APPROVED

ISSUE 4(b): How should access to such subloop elements be provided, and how should prices be set?
RECOMMENDATION: Access to the subloop elements should be provided in the manner proposed by BellSouth via an access terminal. However, parties should be required to submit proposals within 120 days addressing the network reliability and security concerns expressed by BellSouth for approval and inclusion in interconnection agreements.

# MODIFIED

*Cost will be shared 50/50 between BellSouth and ALEC*

ISSUE 5: For which signaling networks and call-related databases should rates be set?
RECOMMENDATION: UNE rates should be set for CCS7 signaling transport, 800 access, Line Information Database access, BellSouth Calling Name Database service, E911 service, Local Number Portability Query service, and Advanced Intelligent Network databases. Access to AIN SCPs should be offered through mediation mechanisms. BellSouth should not be required to offer a UNE for directory assistance since it provides customized routing service.

# APPROVED

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ISSUE 6: Under what circumstances, if any, is it appropriate to recover non-recurring costs through recurring rates?
RECOMMENDATION: In accordance with FCC rules, the Commission may set recurring rates that recover a portion of non-recurring costs through recurring charges. Where non-recurring costs are included in recurring rates, an ILEC should be indifferent where safeguards exist that ensure full cost recovery. Inclusion of non-recurring costs in recurring rates should be considered where the resulting level of nonrecurring charges would constitute a barrier to entry. However, the record in this proceeding does not contain criteria from which to determine when non-recurring rates in fact amount to a barrier to entry.

# APPROVED

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);
RECOMMENDATION: As discussed in the analysis portion of staff's memorandum dated April 6, 2001, we recommend that the BSTLM reflects a reasonable network design based on customer locations, and overall generates reasonable estimates of the costs of outside plant facilities. Although a single network design is optimal, we recommend that the three scenarios submitted by BellSouth on August 16, 2000, as modified to incorporate all of staff's other adjustments, are appropriate. However, consistent with staff's recommendation in Issue 3, BellSouth should develop a study that yields the costs of hybrid fiber/copper xDSL-capable loops.

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ISSUE 7:  What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (b)  depreciation;
RECOMMENDATION: The appropriate projection lives and net salvage values
staff recommends to be used in the development of forward-looking recurring
UNE cost studies are those shown on Tables 7(b)-1 and 7(b)-2 of staff's
memorandum dated April 6, 2001.

# APPROVED

ISSUE 7:  What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (c) cost of capital;
RECOMMENDATION:  The appropriate forward-looking cost of capital for BST is
10.24%.

# APPROVED

ISSUE 7:  What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (d)  tax rates;
RECOMMENDATION:  The following Florida-specific tax rates should be used as
inputs: a combined state and federal income tax rate of 38.57% and an ad
valorem and other tax rate of .9515%.  Also, the tax referred to as "gross
receipts tax" should be labeled, "revenue-based taxes."  The tax referred
to as "state utility tax" should be labeled, "gross receipts tax" and set
at 2.5% of the revenues to which it applies, if any, and the tax referred
to as "PSC fee" should be labeled, "regulatory assessment fees" and set at
.15%.

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ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (e)  structure sharing;
    (f)  structure costs;
    (h)  manholes;
RECOMMENDATION: The appropriate assumptions and inputs for structure
sharing, structure costs, and manholes are the loading factors identified
by BellSouth, as modified by staff's recommendation in Issue 7(s).

# APPROVED

ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (f)  structure costs;
RECOMMENDATION: See staff's recommendation in Issue 7(e).

# APPROVED

ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (g)  fill factors;
RECOMMENDATION: The appropriate assumptions and inputs for copper feeder
and distribution fill factors are those recommended by BellSouth in its
cost filing, resulting in utilizations of 47 percent for distribution and
74 percent for feeder.

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ISSUE 7: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking recurring UNE cost studies?
    (h)   manholes;
RECOMMENDATION: See staff's recommendation in Issue 7(e).

# APPROVED

ISSUE 7: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking recurring UNE cost studies?
    (i)   fiber cable (material and placement costs);
    (j)   copper cable (material and placement costs);
RECOMMENDATION: The appropriate assumptions and inputs for fiber and copper cable material costs to use in the forward-looking UNE cost studies filed in this proceeding are those non-loaded material costs identified by BellSouth. The appropriate assumptions and inputs for the associated cable placement costs are those identified by BellSouth, as modified by staff's recommendation in Issue 7(s).

# APPROVED
*with the understanding that whatever adjustments are made in 7(s) will apply.*

ISSUE 7: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking recurring UNE cost studies?
    (j)   copper cable (material and placement costs);
RECOMMENDATION: See staff's recommendation in Issue 7(i).

# APPROVED
*see 7(i)*

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ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (k)   drops;
    (l)   network interface device
RECOMMENDATION: At this time, the appropriate assumptions and inputs for
drops and network interface devices (NIDs) are the material prices
identified by BellSouth. However, staff recommends that when BellSouth
refiles the BellSouth Telecommunications Loop Model (BSTLM) and the
BellSouth Cost Calculator (BSCC) within 120 days of the date of the order
in this proceeding, as addressed in Issue 7(s), BellSouth should identify
and explain all necessary revisions that should be made to NIDs (both in
the BSTLM and in its standalone NID study). If revisions are necessary,
BellSouth should, as appropriate, submit modified versions of the BSTLM and
the BSCC. If BellSouth believes that no corrections are warranted, a
detailed explanation reconciling the apparent inconsistencies noted in
staff's analysis should be provided.

# APPROVED

ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (l)   network interface devices;
RECOMMENDATION: See staff's recommendation in Issue 7(k).

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ISSUE 7: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking recurring UNE cost studies?
    (m)   digital loop carrier costs;
RECOMMENDATION: BellSouth's use of DS0s for allocation of Digital Loop Carrier (DLC) should be accepted. The methodology used to develop an average vendor cost per DLC site should also be accepted. Notwithstanding, no decision should be reached on whether the vendor prices themselves are reasonable.

# APPROVED

ISSUE 7: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking recurring UNE cost studies?
    (n)   terminal costs;
RECOMMENDATION: The appropriate assumptions and inputs for terminal costs are BellSouth's material price and the in-plant factor as modified by staff's recommendation in Issue 7(s).

# APPROVED

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ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (o)   switching costs and associated variables;
RECOMMENDATION: BellSouth's use of a melded discount for switches, which is
based on historical discounts for replacement or getting started switch
prices and contract discounts for growth or upgrade switches, should be
accepted. AT&T's recommended changes should be made to the discounts on the
CLASS modem card.  The capacities of the SAS announcement circuit should
match those on EXH 114 (JHP-3 revised). The revised utilization inputs
shown on Table 7(o)-1 should be changed in the model. The Centrex Intercom
Usage feature should be set to zero.  The Caller ID and Remote Call
Forwarding penetration rates to be used in the SST should reflect the
average number of lines per central office in BellSouth's SCIS/MO inputs.

# APPROVED

ISSUE 7:  What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (p)   traffic data;
RECOMMENDATION:  The appropriate assumptions and inputs for traffic data
should be those recommended by BellSouth except as modified by staff's
recommendation in Issue 7(o) - switching costs and associated variables.

# APPROVED

ISSUE 7:  What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (q)   signaling system costs;
RECOMMENDATION: For purposes of this study, the assumptions and inputs used
for signaling systems that were provided by BellSouth should be accepted.

# APPROVED

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ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
      (r) transport system costs and associated variables;
RECOMMENDATION: The appropriate assumptions and inputs for transport system
costs and associated variables that should be used in the forward-looking
UNE cost studies in this proceeding are those included in the cost studies
filed by BellSouth.

# APPROVED

ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
      (s) loadings;
RECOMMENDATION: Staff recommends that UNE rates be set using BellSouth's
loading factors shown on Tables 7(s) 1-3. In order to determine the
magnitude of discrepancies between using loading factors as opposed to a
bottoms-up approach for cable placements and associated structures, staff
recommends that BellSouth be ordered to refile the BellSouth
Telecommunications Loop Model (BSTLM) within 120 days of the date of the
order in this proceeding. The revised model should explicitly model all
cable engineering and installation placements and associated structures.
Thereafter, an expedited hearing should be scheduled to address whether
revisions and true-ups are warranted to the loop rates the Commission sets
in this instant proceeding. The refiling should include all BellSouth
assumptions used in developing the cable placements, the basis and source
data for the revised input values, and a clear identification and listing
of all input values.

# MODIFIED    *Approved with elimination of inflation-related adjustments to eliminate mismatches.*

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ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (t)  expenses;
RECOMMENDATION: The assumptions and inputs proposed by BellSouth should be
accepted for purposes of this cost study.  No adjustments should be made to
BellSouth's plant-specific expense factors.

# APPROVED  *as clarified*


ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (u)  common costs;
RECOMMENDATION: For purposes of this cost study, BellSouth's  shared and
common cost factors should be accepted.

# APPROVED  *as clarified*


ISSUE 7: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking recurring UNE cost studies?
    (v)  other.
RECOMMENDATION: All matters raised by the parties have been addressed in
other issues. Accordingly, no action is needed with regard to this issue.

# NO VOTE

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ISSUE 8: 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;
RECOMMENDATION: Non-recurring studies should be forward-looking, reflecting efficient practices and systems, but this perspective should be tempered by considerations of what is reasonably achievable.

# APPROVED

ISSUE 8: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking non-recurring UNE cost studies?
    (b)   OSS design;
RECOMMENDATION: The appropriate assumptions and inputs to be used in the forward-looking non-recurring UNE studies for determining OSS design and the mix of manual versus electronic activities are those set forth by BellSouth.

# APPROVED *with addition of language discussed at the conference.*

ISSUE 8: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking non-recurring UNE cost studies?
    (c)   labor rates;
RECOMMENDATION: The appropriate assumptions and inputs for labor rates in the forward-looking non-recurring UNE cost studies are those recommended by BellSouth.

# APPROVED *Under reconsideration, the issue was approved with the understanding that whatever adjustments are made in 7(a) will apply.*

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ISSUE 8:  What are the appropriate assumptions and inputs for the following items to be used in the forward-looking non-recurring UNE cost studies?
    (d)   required activities;
RECOMMENDATION: The appropriate assumptions and inputs for required activities are the adjustments to BellSouth's work activities as shown below in Table 8d-1.

Table 8d-1 - Staff's Recommended Adjustments

| Category | Staff's Recommended Adjustments to BellSouth's Installation and Disconnect Work Groups and Work Times |
|----------|----------------------------------------------------------------------------------------------------|
| CRSG Incremental Time | Eliminate work times |
| CRSG | Reduce work times by 55% |
| LCSC | Reduce work times by 75% |
| SAC | Reduce work times by 50% |
| AFIG | Reduce work times by 50% |
| CPG | Reduce work times by 50% |
| UNEC Provisioning Variables | Eliminate work times |
| UNEC | Reduce work times by 45% |
| WMC | Reduce work times by 65% |
| CO I&M | Reduce work time by 20% |
| SSI&M | Reduce work times by 35% |
| Travel | No Adjustment |
| All other work groups | Reduce work times by 45% |

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ISSUE 8: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking non-recurring UNE cost studies?
    (e)  mix of manual versus electronic activities;
RECOMMENDATION: The appropriate assumptions and inputs to be used in the
forward-looking non-recurring UNE studies for determining OSS design and
the mix of manual versus electronic activities are those set forth by
BellSouth.

**APPROVED** *with addition of language discussed at the conference*

ISSUE 8: What are the appropriate assumptions and inputs for the following
items to be used in the forward-looking non-recurring UNE cost studies?
    (f)  other.
RECOMMENDATION: All matters raised by the parties have been addressed in
other issues. Accordingly, no action is needed with regard to this issue.

**NO VOTE**

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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).

RECOMMENDATION: Staff's recommended recurring and non-recurring rates are
contained in Appendix A of staff's memorandum dated April 6, 2001.

**APPROVED** *with appropriate fallout adjustments.*

ISSUE 9(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?

RECOMMENDATION: No. There are no other elements or combinations of
elements that the Commission should require ILECs to unbundle at this time.

**APPROVED**

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ISSUE 10: What is the appropriate rate, if any, for customized routing?
RECOMMENDATION: The appropriate rates for customized routing are those proposed in Appendix A of staff's memorandum dated April 6, 2001.

# APPROVED

ISSUE 11: What is the appropriate rate if any, for line conditioning, and in what situations should the rate apply?
RECOMMENDATION: Staff recommends that the appropriate rates for line conditioning and loop make-up (LMU) information be developed using the various recommended input adjustments in the staff analysis portion of the recommendation dated April 6, 2001. Staff's proposed rates are shown in Appendix A. Furthermore, staff recommends that the next phase of BellSouth's mechanized LMU process be implemented no later than June 1, 2001, and BellSouth should report to this Commission specifically what enhancements have been made and describe in detail the capabilities of the revised LMU system. In addition, staff recommends that the rate for mechanized LMU information be interim until the time the Commission revisits the OSS cost recovery matters; accordingly, BellSouth should be required to track the revenues generated by this charge.

# MODIFIED

*Approved with exception of A.17.1.; the conditioning charge for loops 18,000 feet or under is removed, and adjustments to A.17.3, A.17.5, and A.17.6 (Appendix A); change 25 pairs to 50 pairs.*

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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:
  (a)  "UNE platform" consisting of: loop (all), local (including packet, where required) switching (with signaling), and dedicated and shared transport (through and including local termination);
  (b)  "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.
RECOMMENDATION: The appropriate recurring and nonrecurring rates for UNE combinations are those recommended in Appendix A of staff's April 6, 2001 recommendation.

# APPROVED

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:
  (b)  "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.
RECOMMENDATION:  See staff recommendation in Issue 12(a).

# APPROVED

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elements.

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ISSUE 13: When should the recurring and non-recurring rates and charges
take effect?
RECOMMENDATION: The recurring and non-recurring rates and charges  should
take effect when existing interconnection agreements are amended to
incorporate the approved rates and the amended agreements are approved by
the Commission.

**APPROVED** *as modified by staff at the conference.*

ISSUE 14: Should this docket be closed?
RECOMMENDATION:  No.  This Docket should remain open to address UNE rates
for Sprint and Verizon.

**APPROVED**