

ORIGINAL

WILMER, CUTLER & PICKERING

2445 M STREET, N.W.
WASHINGTON, DC 20037-1420
TELEPHONE +1 (202) 663 6000
FACSIMILE +1 (202) 663 6363
WWW.WILMER.COM

WASHINGTON
NEW YORK
BALTIMORE
NORTHERN VIRGINIA
LONDON
BRUSSELS
BERLIN

DANIEL MCCUAIG
(202) 663 6024
DANIEL.MCCUAIG@WILMER.COM

October 3, 2003

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Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

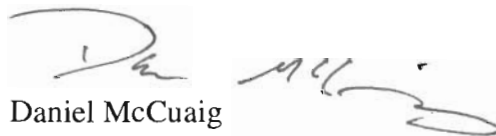
Re: Docket Nos. 981834-TP and 990321-TP (Generic Collocation)

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of Verizon Florida Inc.'s Prehearing Statement on Issues 9-10, which we ask that you file in the captioned docket. Also included is a diskette containing Verizon Florida Inc.'s Prehearing Statement on Issues 9-10 in Word format.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,


Daniel McCuaig

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cc: All Parties of Record
Charles Schubart

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Competitive Carriers for)
Commission action to support local)
Competition in BellSouth Telecommunications)
Inc.'s service territory)

Docket No. 981834-TP

In re: Petition of ACI Corp. d/b/a Accelerated)
Connections, Inc. for generic investigation to)
ensure that BellSouth Telecommunications,)
Inc., Sprint-Florida, Incorporated, and GTE)
Florida Incorporated comply with obligation to)
provide alternative local exchange carriers)
with flexible, timely, and cost-efficient physical)
collocation.)

Docket No. 990321-TP

Filed: October 6, 2003

VERIZON FLORIDA INC.'S PREHEARING STATEMENT ON ISSUES 9-10

Verizon Florida Inc. ("Verizon") files this prehearing statement in accordance with Order Nos. PSC-02-1513-PCO-TP and PSC-03-0702-FOF-TP in this docket and Florida Public Service Commission ("Commission") Rule 25-22.038.

A. Witnesses

Verizon's witnesses for this proceeding and the issues to which they will testify are as follows:

1. Charles Bailey and Barbara K. Ellis: Issues 9-10.
2. James H. Vander Weide: Issue 9B.
3. Allen E. Sovereign: Issue 9B.

B. Exhibits

Verizon will introduce the following exhibits:

1. Direct Testimony of Barbara K. Ellis on behalf of Verizon Florida Inc., filed February 4, 2003, and attached Exhibit Nos. BKE-1, BKE-2, BKE-3, BKE-4, BKE-5, BKE-6, and BKE-7.
2. Surrebuttal Testimony of Charles Bailey and Barbara K. Ellis on behalf of Verizon Florida Inc., filed September 25, 2003, and attached Exhibit Nos. BKE-1, BKE-8, BKE-9, BKE-10, and BKE-11.
3. Verizon's currently effective intrastate collocation tariff for Florida.
4. Direct Testimony of James H. Vander Weide on behalf of Verizon Florida Inc., filed February 4, 2003, and attached Exhibit Nos. JWV-1 and JWV-2.
5. Surrebuttal Testimony of James H. Vander Weide on behalf of Verizon Florida Inc., filed September 26, 2003, and attached Exhibit Nos. JWV-1, JWV-2, JWV-3, JWV-4, JWV-5, and JWV-6.
6. Direct Testimony of Allen E. Sovereign on behalf of Verizon Florida Inc., filed February 4, 2003, and attached Exhibit Nos. AES-1 and AES-2.
7. Surrebuttal Testimony of Allen E. Sovereign on behalf of Verizon Florida Inc., filed September 25, 2003.

Verizon reserves the right to introduce additional exhibits at the hearing or other appropriate points.

C. Verizon's Basic Position

The purpose of this portion of this proceeding is to determine the appropriate rates, terms, and conditions to govern the provision of collocation in Florida. It is well established that the rates charged by incumbents for facilities and services should be based on the costs that *the respective incumbent* can expect to incur to provide those facilities and services.^{1/} AT&T's proposal to force BellSouth's cost inputs on Verizon,

^{1/} The Federal Communications Commission ("FCC") has never wavered from its original mandate that UNE cost proceedings produce "costs that incumbents actually expect to incur in making network elements available to new entrants." First Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 15499 ¶ 685 (1996). See Reply Brief for

and thus to assign rates to Verizon based on *BellSouth's* costs rather than its own, is therefore legally meritless. In addition, because Verizon's accounting and billing systems are incompatible with BellSouth's Verizon *could not* use BellSouth's rate structure. Finally, AT&T's proposal that the Commission by regulatory fiat transform Verizon's Florida operations into a miniature version of BellSouth should be rejected for the following policy reasons: (1) it would *de-standardize* Florida from the rest of Verizon's footprint, which is contrary to what the ALECs have been arguing for in numerous other forums; (2) it would impose on Verizon the unreasonable burden of developing and supporting a Florida-only cost model; and (3) it would deny Verizon the flexibility required to take advantage of advances in cost modeling and to respond to regulatory and technical change.

Because many of Verizon's proposed rate elements remain unchallenged, and because the criticisms of those proposed rate elements that have been challenged are demonstrably meritless, the Commission should adopt the terms and conditions of Verizon's currently effective intrastate collocation tariff and the rates proposed in Exhibit BKE-1 to Charles Bailey and Barbara K. Ellis's Surrebuttal Testimony.

D. - F. Verizon's Specific Positions

The issues identified for resolution in this case are mixed questions of fact, law, and policy.

Petitioner Federal Communications Commission and the United States, *Verizon Communications, Inc. v. FCC*, at 6 (2002) ("The costs measured by TELRIC are nonetheless those *of the incumbent itself.*") (emphasis added).

Issue 9A: For which collocation elements should rates be set for each ILEC?

Verizon's Position: Rates should be set for Verizon for the collocation elements proposed in Exhibit BKE-1 to Charles Bailey and Barbara K. Ellis's Surrebuttal Testimony. Verizon takes no position on which collocation elements should be assigned rates for BellSouth or Sprint.

Issues 9B: For those collocation elements for which rates should be set, what is the proper rate and the appropriate application of those rates?

Verizon's Position: Rates should be set for Verizon's collocation elements as set forth in Exhibit BKE-1 to Charles Bailey and Barbara K. Ellis's Surrebuttal Testimony. Verizon takes no position on the appropriate rates for BellSouth's or Sprint's collocation elements.

Issue 10: What are the appropriate definitions, and associated terms and conditions for the collocation elements to be determined by the Commission?

Verizon Position: The appropriate definitions, terms, and conditions for Verizon's collocation elements are set forth in Verizon's currently effective intrastate collocation tariff. Verizon takes no position on the appropriate definitions, terms, or conditions for BellSouth's or Sprint's collocation elements.

G. Stipulated Issues

None at this time.

H. Pending Motions and Other Matters

Verizon does not currently have any pending motions.

I. Pending Requests for Confidentiality

Verizon believes that the following requests for confidential classifications remain pending at this time:

1. Verizon's Request for Confidential Classification for DN 08279-03 & DN 08280-03, submitted September 8, 2003.
2. Verizon's Request for Confidential Classification for DN 08550-03, submitted September 10, 2003.

J. Requirements Set Forth in the Commission's Order in this Docket that Cannot Be Complied with at this Time

Verizon is unaware of any requirements set forth in the Commission's Order in this proceeding that cannot be complied with at this time.

K. Decisions or Pending Decisions by the FCC or any Court that May Preempt or Impact the Commission's Ability To Resolve the Issues Presented or Relief Requested in this Matter

The following FCC and court decisions may impact the Commission's resolution of Issues 9-10 in this docket:

1. Notice of Proposed Rulemaking, *Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers*, WC Docket No. 03-173, FCC 03-224 (rel. Sept. 15, 2003) ("*TELRIC NPRM*").
2. Report and Order and Order on Remand and Further notice of Proposed Rulemaking, *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket Nos. 01-338, 96-98, 98-147, FCC 03-36 (rel. Aug. 21, 2003) ("*Triennial Review Order*").
3. First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 15499 (1996) ("*Local Competition Order*").

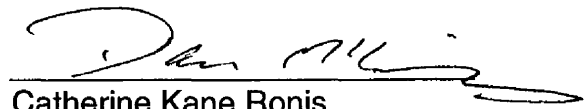
4. *Verizon Communications, Inc. v. FCC*, 535 U.S. 467 (2002).
5. *AT&T Corp. v. Iowa Utils. Bd.*, 525 U.S. 366 (1999).
6. *Michigan Bell Tel. Co. v. Engler*, 257 F.3d 587, 593 (6th Cir. 2001).
7. *Guaranty Nat'l Ins. Co. v. Gates*, 916 F.2d 508 (9th Cir. 1990).
8. *Calfarm Ins. Co. v. Deukmejian*, 771 P.2d 1247, 1254 (Cal. 1989).

L. Objections to Witness Qualifications as an Expert

Verizon has no objections to any witness's qualifications as an expert at this time.

Respectfully submitted on October 3, 2003.

By:



Catherine Kane Ronis
Daniel McCuaig
Wilmer, Cutler & Pickering
2445 M Street, NW
Washington, DC 20037-1420
Telephone: 202-663-6000
Fax: 202-663-6363

Richard A. Chapkis
Verizon Florida Inc.
One Tampa City Center
201 North Franklin Street
Post Office Box 110, MC FLTC0007
Tampa, FL 33601-0110
Telephone: 813-483-2606
Fax: 813-204-8870

Attorneys for Verizon Florida Inc

CERTIFICATE OF SERVICE
Docket No. 981834-TP and 990321-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via FedEx and regular U.S. Mail this 3rd day of October, 2003 to the following.

Beth Keating, Staff Counsel
C. Lee Fordham, Staff Counsel
Adam Teitzman, Staff Counsel
Andrew Maurey; Betty Gardner
Cheryl Bulecza-Banks
David Dowds
Jackie Schindler
Jason-Earl Brown
Laura King; Bob Casey
Pat Lee; Stephanie Cater
Paul Vickery
Pete Lester; Zoryana Ring
Sally Simmons
Shevie Brown
Todd Brown
Victor Mckay
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Tel. No. (850) 413-6212
Fax. No. (850) 413-6250
bkeating@psc.state.fl.us
cfordham@psc.state.fl.us
ateitzma@psc.state.fl.us
amaurey@psc.state.fl.us
bgardner@psc.state.fl.us
cbulecza@psc.state.fl.us
david.dowds@psc.state.fl.us
jschindl @psc.state.fl.us
jebrown@psc.state.fl.us
lking@psc.state.fl.us; bcasey@psc.state.fl.us
plee@psc.state.fl.us; scater@psc.state.fl.us
pvickery@psc.state.fl.us
plester@psc.state.fl.us; zring@psc.state.fl.us
sasimmon@psc.state.fl.us
sbbrown@psc.state.fl.us
tbrown@psc.state.fl.us
vmckay@psc.state.fl.us

Terry Monroe
Vice President, State Affairs
Competitive Telecomm. Assoc.
1900 M Street, N.W. Suite 800
Washington, D.C. 20036
Tel. No. (202) 296-6650
Fax. No. (202) 296-7585
tmonroe@comptel.org

Marilyn H. Ash
MGC Communications, Inc.
3301 North Buffalo Drive
Las Vegas, Nevada 89129
Tel. No. (702) 310-8461
Fax. No. (702) 310-5689
mash@mgccom.com

J. Phillip Carver
Senior Attorney
Nancy Sims Nancy
White Stan Greer
BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
Tel. No. (404) 335-0710
J.Carver@bellsouth.com
nancy.sims@bellsouth.com
nancy.white@bellsouth.com
stan.greer@bellsouth.com

Peter M. Dunbar, Esq. Pennington,
Moore, Wilkinson & Dunbar, P.A.
Post Office Box 10095 Tallahassee,
Florida 32302
Tel. No. (850) 222-3533
Fax. No. (850) 222-2126
pete@penningtonlawfirm.com

Jonathan Audu
Paul Turner
Supra Telecommunications
& Information Systems, Inc.
2620 S.W. 27th Avenue
Miami, FL 33133
Tel. No. (305) 531-5286
Fax. No. (305) 476-4282
jonathan.audu@stis.com
pturner@stis.com

Florida Digital Network, Inc.
Matthew Feil, Esq
Scott Kassman.
390 North Orange Avenue
Suite 2000
Orlando, FL 32801
Tel. No. (407) 835-0460
Fax. No. (407) 835-0309
mfeil@floridadigital.net

Rodney L. Joyce
Shook, Hardy & Bacon, L.L.P.
600 14th Street, N.W.
Suite 800
Washington, DC 20005-2004
Tel. No. (202) 639-5602
Fax. No. (202) 783-4211
Counsel for Network Access Solutions
rjoyce@shb.com

Michael A. Gross
VP Reg. Affairs & Reg. Counsel
Florida Cable Telecomm. Assoc.
246 East 6th Avenue, Suite 100
Tallahassee, FL 32303
Tel. No. (850) 681-1990
Fax. No. (850) 681-9676
mgross@fcta.com

TCG South Florida
c/o Rutledge Law Firm
Kenneth Hoffman
P.O. Box 551
Tallahassee, FL 32302-0551
Tel. No. (850) 681-6788
Fax. No. (850) 681-6515
ken@reuphlaw.com

Laura L. Gallagher
Laura L. Gallagher, P.A.
101 E. College Avenue Suite 302
Tallahassee, FL 32301
Tel. No. (850) 224-2211
Fax. No. (850) 561-3611
Represents MediaOne
gallagherl@gtlaw.com

Susan S. Masterton
Charles J. Rehwinkel
Sprint Comm. Co. LLP
P.O. Box 2214
MC: FLTLHOO107
Tallahassee, FL 32316-2214
Tel. No. (850) 847-0244
Fax. No. (850) 878-0777
susan.masterton@mail.sprint.com

Sprint-Florida, Incorporated
Mr. F. B. (Ben) Poag
P.O. Box 2214 (MC FLTLHOO107)
Tallahassee, FL 32316-2214
Tel: 850-599-1027
Fax: 407-814-5700
Ben.Poag@mail.sprint.com

William H. Weber, Senior Counsel
Gene Watkins
Covad Communications
1230 Peachtree Street, N.E.
19th Floor
Atlanta, Georgia 30309
Tel. No. (404) 942-3494
Fax. No. (404) 942-3495
wweber@covad.com
gwatkins@covad.com

J. Jeffry Wahlen
Ausley & McMullen
P.O. Box 391
Tallahassee, FL 32302
jwahlen@ausley.com

Network Access Solutions Corp.
Mr. Don Sussman
Three Dulles Tech Center
13650 Dulles Technology Drive
Herndon, VA 20171-4602
Tel. No.: (703) 793-5102
Fax. No. (208) 445-7278
dsussman@nas-corp.com

Ms. Lisa A. Riley
Michael Henry
Roger Fredrickson
1200 Peachtree Street, N.E.
Suite 8066
Atlanta, GA 30309-3523
Tel. No. (404) 810-7812
Fax. No. (404) 877-7646
lisariley@att.com
michaeljhenry@att.com
rfredrickson@att.com

Tracy Hatch
AT&T
101 North Monroe Street, Suite 700
Tallahassee, FL 32301-1549
Tel. No. (850) 425-6360
thatch@att.com

FPTA, Inc.
Mr. David Tobin Tobin & Reyes
7251 West Palmetto Park Road
#205
Boca Raton, FL 33433-3487
Tel. No. (561) 620-0656
Fax. No. (561) 620-0657
dst@tobinreyes.com

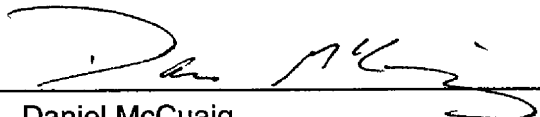
John McLaughlin
KMC Telecom. Inc.
Mr. John D. McLaughlin, Jr.
1755 North Brown Road
Lawrenceville, GA 30043
Tel. No. (678) 985-6261
Fax. No. (678) 985-6213
jmclau@kmctelecom.com

Joseph A. McGlothlin
Vicki Gordon Kaufman
Tim Perry
McWhirter, Reeves, McGlothlin,
Davidson, Decker, Kaufman, Arnold,
& Steen, P.A.
117 South Gadsden Street
Tallahassee, FL 32301
Tel. No. (850) 222-2525
Fax. No. (850) 222-5606
Attys. for FCCA
Atty. for Network Telephone Corp.
Atty. for BlueStar
jmcglothlin@mac-law.com
vkaufman@mac-law.com
tperry@mac-law.com

Andrew Isar
Telecomm. Resellers Assoc.
7901 Skansie Avenue
Suite 240
Gig Harbor, WA 98335
Tel. No. (253) 851-6700
Fax. No. (253) 851-6474
aisar@millerisar.com

Floyd R. Self, Esq.
Messer, Caparello & Self, P.A.
Post Office Box 1876
Tallahassee, FL 32302-1876
Tel. No. (850) 222-0720
Fax. No. (850) 224-4359
Represents AT&T
fself@lawfla.com

Richard D. Melson
Hopping Green Sams & Smith, P.A.
Post Office 6526
123 South Calhoun Street
Tallahassee, FL 32314
Tel. No. (850) 222-7500
Fax. No. (850) 224-8551
Atty. For ACI
rmelson@hgslaw.com



Daniel McCuaig