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October 8, 2003

VIA HAND DELIVERY

Blanca S. Bayo, Director
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Re: **Docket No.: 030851-TP**

Dear Ms. Bayo:

On behalf of DIECA Communications, Inc. d/b/a Covad Communications Company (Covad), enclosed for filing and distribution are the original and 15 copies of the following:

- ▶ DIECA Communications, Inc., d/b/a Covad Communications Company's Proposed Issue List.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me. Thank you for your assistance.

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Sincerely,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

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McWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, KAUFMAN & ARNOLD, P.A.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising
From Federal Communications Commission
Triennial UNE review: Local Circuit Switching
For Mass Market Customers

Docket No. 030851-TP

Filed: October 8, 2003

**DIECA COMMUNICATIONS, INC., D/B/A COVAD COMMUNICATIONS
COMPANY'S PROPOSED ISSUE LIST**

DIECA Communications, Inc., d/b/a Covad Communications Company (Covad), files its Proposed Issues. In addition to the issues raised by other CLECs in this docket, Covad requests that this Commission include the following issue in this docket to address the economic and operational importance of line splitting in the mass market switching impairment analysis:

Are CLECs impaired in their ability to operationally transition from UNE-P to UNE-L and economically impaired in their ability to compete using UNE-L based on line splitting processes, rates, and OSS currently available from ILECs?

The *Triennial Review Order* has vested this Commission with responsibility for determining the future of competition in the residential voice market. *Triennial Review Order* at ¶ 486. Specifically, the FCC has delegated to the states the authority to determine, during a 9-month impairment proceeding, whether competitors are entitled to UNE access to the incumbents' switching facilities in the residential (or mass) market. Competitors' ability to access the incumbents' switching facilities, however, is operationally and economically entwined with their ability to provide their customers with data services. A key component in the future of competition in the residential voice market will be the ability of competitors to provide a bundled voice and data product—via line splitting—in competition with the voice and data bundles currently being provided by the incumbents. Accordingly, the Commission should consider the operational and economic issues associated with data services, and line splitting in particular, in

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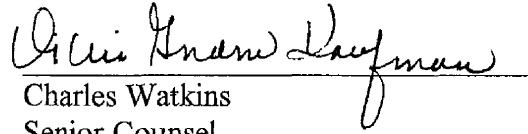
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determining whether transition to UNE-L in a particular market is operationally and economically feasible.

The FCC specifically identified operational impairments associated with hot-cuts as a basis for its finding of national impairment. *Id.* at ¶¶ 464-78. Importantly, the availability of hot-cuts for a UNE-P competitor engaged in line splitting with a DLEC are even more complex than those associated with the transition from UNE-P to UNE-L alone. Yet line splitting with UNE-P providers was the very competitive alternative identified by the FCC in support of its determination to phase out line sharing. *Id.* at ¶ 259. If the FCC considered line splitting the future of competitive data services, then the Commission should also consider the impact its determinations for UNE-P will have on that mode of data competition and the concurrent impact on voice providers who seek to bundle data services with their voice service.

Moreover, the FCC ordered that *in the switching case*, “[t]he state must also consider the revenues a competitor is likely to obtain from using its facilities for providing *data* and long distance services and from serving business customers.” *Id.* at ¶ 519 (emphasis added). The FCC further required that *in the switching case*, “state commissions must consider whether entrants are likely to achieve sufficient volume of sales within each wire center, and in the entire area served by the entrant’s switch, to obtain the scale economies needed to compete with the incumbent.” *Id.* at ¶ 520. Because the availability of line splitting is critical to the bundled offerings in the residential voice market, which affects the ability of competitors to obtain “sufficient volume of sales,” the Commission must consider the continued availability of data services under UNE-L in this proceeding. Accordingly, in its 9-month review phase, the Commission must not only determine whether competitors are impaired without access to unbundled local switching, but must also ensure that competitors are provided non-

discriminatory access to a combined voice and data service via line splitting.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing DIECA Communications Inc., d/b/a Covad Communications Company's Proposed Issue List has been provided by (*) hand delivery or U.S. Mail this 8th day of October 2003, to the following:

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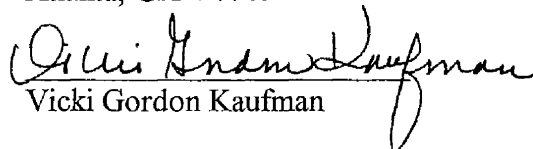
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