

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Verizon Florida, Inc. to reform)
intrastate network access and basic local)
telecommunications rates in accordance with)
Section 364.164, Florida Statutes)
_____)

Docket No. 030867-TL

In re: Petition by Sprint-Florida, Incorporated)
to reduce intrastate switched network access)
rates to interstate parity in revenue-neutral)
manner pursuant to Section 364.164(1),)
Florida Statutes)
_____)

Docket No. 030868-TL

In re: Petition for implementation of Section)
364.164, Florida Statutes, by rebalancing)
rates in a revenue-neutral manner through)
decreases in intrastate switched access charges)
with offsetting rate adjustments for basic services)
by BellSouth Telecommunications, Inc.)
_____)

Docket No. 030869-TL

In re: Flow-through of LEC switched access)
Reductions by IXCs, pursuant to)
Section 364.163(2), Florida Statutes.)
_____)

Docket No. 030961-TI
Filed: November 21, 2003

**KNOLGY OF FLORIDA, INC.'S
PRE-HEARING STATEMENT**

Knology of Florida, Inc. ("Knology"), pursuant to Rule 25-22.038, Florida Administrative Code, and order of the Florida Public Service Commission (hereinafter the "Commission") hereby submits its Prehearing Statement in the above-referenced docket.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

(A) **Witness**

Knology intends to sponsor the testimony of Felix L. Boccucci, Jr. Mr. Boccucci's testimony primarily relates to Issue 2 of this docket regarding the effects the ILECs' proposals will have on enhancing local market entry.

(B) **Exhibits**

Knology intends to introduce a network diagram and marketing material. These exhibits were not prefiled with Mr. Boccucci's testimony.

(C) **Knology's Basic Position**

Knology believes that the petitions filed in these dockets should be granted, because that decision will help to implement the policy underlying 364.14, and it will enhance the competitive choices available to Florida citizens. Knology made the strategic decision to expand its service offerings to other cities in Florida. Shortly after the passage of this legislation, Knology entered into an agreement with Verizon Media Ventures, Inc. to purchase its Cable and Data Asset (Verizon Media) in Pinellas County. This acquisition will provide an additional opportunity for Knology to market voice, video and data services to approximately 275,000 homes and businesses. Knology seeks a market-driven competitive price structure when it makes a strategic decision to deploy capital resources to bring the most updated technology to the marketplace. It is Knology's opinion that granting these petitions will bring new capital investment and additional jobs, in addition to new products and price competition to the State of Florida.

(D), (E) and (F) **Statements of Fact, Law and Policy**

Knology has combined their responses below:

ISSUE 1: Will the ILECs' rebalancing proposals remove the current support for basic local telecommunications, services that prevents the creation of a more attractive competitive market for the benefit of residential consumers?

- A: What is a reasonable estimate of the level of support provided for basic local telecommunications services?
- B. Does the current level of support prevent the creation of a more attractive competitive local exchange market for the benefit of residential consumers?
- C. Will the ILECs' rebalancing proposals benefit residential consumers as contemplated by Section 364.164, Florida Statutes? If so, how?

Knology: Knology believes that granting these petitions will materially diminish the current support for basic local telecommunications services. This support prevents creation of a more

competitive market. Diminution of the support will spur additional competition. Knology experience in its existing markets provides examples of how the entry of a facilities based competitor for telephone service expands the products available to consumers increases the customer service levels and promotes product and pricing competition.

ISSUE 2: Will the effects of the ILECs' rebalancing proposals induce enhanced market entry? If so, how?

Knology: Yes. The ILECs' rebalancing proposal moves the pricing structure for telephone services in Florida towards market based pricing.

ISSUE 3: Will the ILECs' rebalancing proposals reduce intrastate switched network access rates to interstate parity over a period of not less than two years or more than four years?

Knology: This issue is best addressed by the Petitioners.

ISSUE 4: Are the ILECs' rebalancing proposals revenue neutral, as defined in Section 364.164 (2) Florida Statutes?

Knology: This issue is best addressed by the Petitioners.

ISSUE 5: Should the ILECs' rebalancing proposals be granted or denied?

Knology: Granted.

ISSUE 6: Which IXCs should be required to file tariffs to flow through BellSouth's, Verizon's, and Sprint-Florida's switched access reductions, if approved, and what should be included in these tariff filings?

Knology: Knology intends to match the ILEC access rates in a manner consistent with the Commission approved phase in period. In all other respects, Knology does not intend to address this issue.

ISSUE 7: If the ILEC access rate reductions are approved, should the IXCs be required to flow through the benefits of such reductions, via the tariffs, simultaneously with the approved ILEC access rate reductions?

Knology: Knology intends to match the ILEC access rates in a manner consistent with the Commission approved phase in period. In all other respects, Knology does not intend to address this issue.

ISSUE 8: For each access rate reduction that an IXC receives, how long should the associated revenue reduction last?

Knology: Knology does not intend to address this issue.

ISSUE 9: How should the IXC flow-through of the benefits from the ILEC access rate reductions be allocated between residential and business customers?

Knology: Knology does not intend to address this issue.

ISSUE 10: Will all residential and business customers experience a reduction in their long distance bills? If not, which residential and business customers will and will not experience a reduction in their long distance bills?

Knology: Knology's customers will enjoy reductions if the petitions are granted. Knology bundles local and long distance service in many of its product offerings. Customer purchasing bundled services will receive discounts on the services. If a Knology local telephone customer elects to purchase toll services from another carrier, Knology will match the ILEC access rate reductions in a manner consistent with the Commission Order.

(G) **Stipulated Issues**

Knology is unaware of any stipulated issues.

(H) **Pending Motions**

Knology does not have any motions pending in this proceeding.

(I) **Pending Requests for Confidentiality**

Knology does not have any requests or claims for confidentiality pending.

(J) **Other Requirements**

There are no requirements of which Knology is aware that cannot be complied with.

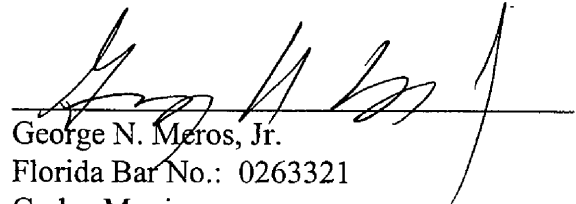
(K) **Statement regarding preemption**

At the time of this filing, Knology is unaware of any decision or pending decision of the FCC or any court that has or may either preempt or otherwise impact the Commission's ability to resolve any of the issues presented or the relief requested in this matter.

(L) **Objections**

At this time, Knology has no objections to any witnesses' qualifications.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "George N. Meros, Jr.", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by *hand delivery, electronic mail and U.S. mail this 27 day of November, 2003 on the following:

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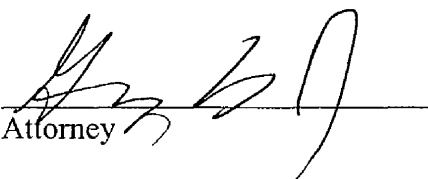
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