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December 29, 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 Revised 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 Revised 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.

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Sincerely,

*Daniel McCuaig*  
Daniel McCuaig

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 )

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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. )

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Docket No. 990321-TP

Filed: December 30, 2003

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

Verizon Florida Inc. ("Verizon") files this revised prehearing statement in accordance with Order Nos. PSC-02-1513-PCO-TP, PSC-03-0702-FOF-TP and PSC-03-1311-PCO-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. James H. Vander Weide: Issue 9B.
2. Anthony J. Flesch: Issue 9B.
3. Charles Bailey and Barbara K. Ellis: Issues 9-10.

## **B. Exhibits**

Verizon will introduce the following exhibits:

1. 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.
2. 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.
3. 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.
4. Surrebuttal Testimony of Allen E. Sovereign on behalf of Verizon Florida Inc., filed September 25, 2003.
5. 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.
6. 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.
7. Verizon's currently effective intrastate collocation tariff for Florida.

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.<sup>1/</sup> AT&T's proposal to force BellSouth's cost inputs on Verizon, 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 CLECs 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.

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<sup>1/</sup> 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 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).

## **D. - F. Verizon's Specific Positions**

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

### **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 has the following pending motions:

1. Verizon Florida Inc.'s Motion for Clarification and Partial Reconsideration, filed December 11, 2003.

## **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.
3. Verizon's Request for Confidential Classification for DN 09920-03, submitted October 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*").

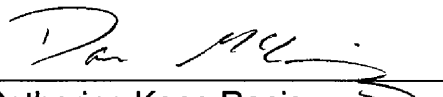
2. Report and Order and Order on Remand and Further notice of Proposed Rulemaking, *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability*, 18 FCC Rcd 19020 (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 December 29, 2003.

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**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 or regular U.S. Mail this 29th day of December, 2003 to the following.

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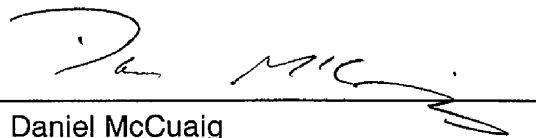
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