

## **McWhirter Reeves**

ATTORNEYS AT LAW

TAMPA OFFICE
400 NORTH TAMPA STREET, SUITE 2450
TAMPA, FLORIDA 33602-5126
P.O. BOX 3350, TAMPA, FL 336J01-3350
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:
TALLAHASSEE

TALLAHASSEE OFFICE: 117 SOUTH GADSDEN TALLAHASSEE, FLORIDA 33201 (850) 222-2525 (850) 222-5606 FAX

February 18, 2004

## VIA HAND DELIVERY

Ms. Blanca S. Bayo
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Fl 32399-0850

Re: Docket No. 030851-TP

Dear Ms. Bayo:

On behalf of Florida Competitive Carriers Association, enclosed for filing and distribution is the original and 1 copy of the following:

Notice of Service of the Florida Competitive Carriers Association's Response to BellSouth's Second Request for Production of Documents (No. 6) and Second Set of Interrogatories (No. 20)

The original and 15 copies of:

Corrected pages 13-14 of the Surrebuttal Testimony of Joseph Gillan.

We ask that these corrected pages be substituted for those in Mr. Gillan's Surrebuttal Testimony filed on January 28, 2004. The corrections are indicated in bold and underlined.

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

RECEIVED & FILED

Sincerely,

Vicki Gordon Kaufman

VGK:lwl Enclosures

Cc: Parties of record (w/ encls.)

DOCUMENT NUMBER - DATE

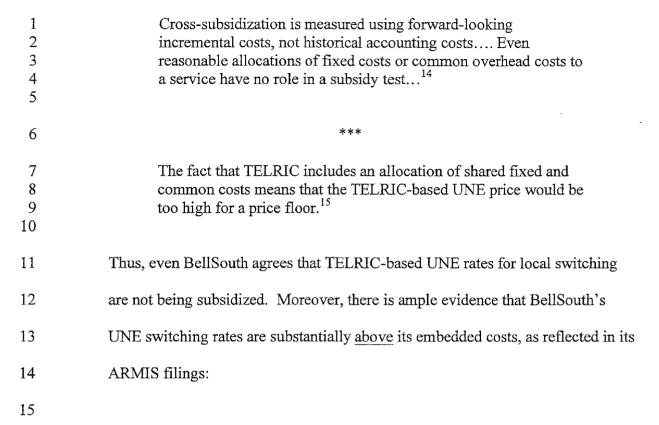


Table 2: BellSouth's Average Embedded Switching Cost

Cost Category	2002 ARMIS	Per Line
Central Office Switching Expense	\$75,463	\$1.06
Switching Share of Depreciation/Amortization <sup>16</sup>	\$160,708	\$2.25
Average Embedded Cost	\$236,171	\$3.31
Average SGAT Rate (including usage) <sup>17</sup>		\$5.21
Contribution from SGAT Based Price		<u>58%</u>

<sup>16</sup> 

Rebuttal Testimony of William Taylor on behalf of BellSouth, Docket Nos. 02-0119-TP and 020578-TP, filed November 25, 2002 ("Taylor Rebuttal"), page 18.

Taylor Rebuttal, Page 6.

ARMIS does not separately assign depreciation cost to switching. However, Telephone Plant in Service (TPIS) is separately reported for central office switching and the ratio of Switching TPIS to Total TPIS was used to estimate that portion of BellSouth's 2002 depreciation that can be allocated to switching.

Average TELRIC rate is calculated based on BellSouth's average usage per line (as reported in ARMIS 43-04, Dial Equipment Minutes of Use) of 3,238 minutes per line.

1		As Table 2 above shows, the TELRIC-based SGAT rates for unbundled local
2		switching already cover embedded costs and provide a contribution to BellSouth's
3		joint and common costs (and provide a return) of more than <u>58%</u> . Moreover,
4		BellSouth's SGAT rates include a voluntary reduction from its Commission-
5		approved UNE-rates (which produce an average revenue of <u>\$6.13</u> per switch port
6		and a contribution of more than 85%). There is no basis for BellSouth's claim
7		that it is not being adequately compensated for unbundled local switching in
8		Florida – if anything, its rates exceed just and reasonable levels when judged by
9		its embedded cost.
10		
11	Q.	Has BellSouth revealed how much revenue it gets from the switch-related
11 12	Q.	Has BellSouth revealed how much revenue it gets from the switch-related charges that it imposes on CLECs in Florida?
	Q.	
12	Q.	
12 13		charges that it imposes on CLECs in Florida?
12 13 14		Charges that it imposes on CLECs in Florida?  Yes. The Commission should appreciate that when a carrier leases UNE-P, in
12 13 14 15		Charges that it imposes on CLECs in Florida?  Yes. The Commission should appreciate that when a carrier leases UNE-P, in addition to paying for the loop, the CLEC also pays BellSouth for local switching,
12 13 14 15 16		Charges that it imposes on CLECs in Florida?  Yes. The Commission should appreciate that when a carrier leases UNE-P, in addition to paying for the loop, the CLEC also pays BellSouth for local switching, shared transport and the billing records it needs to offer service. According to
12 13 14 15 16		Yes. The Commission should appreciate that when a carrier leases UNE-P, in addition to paying for the loop, the CLEC also pays BellSouth for local switching, shared transport and the billing records it needs to offer service. According to Exhibit NoJPG-11 (attached), 19 BellSouth collects (on average) Begin

Contribution is calculated as (Revenues-Expenses)/Expenses.

BellSouth Response to FCCA 2<sup>nd</sup> Set of Interrogatories, Item No. 24.

Although Exhibit No. \_\_\_\_\_ JPG-11 asked BellSouth to provide only its switch-related revenues, the magnitude of the answer suggests that it also included loop charges.