

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Adoption of the National School Lunch)
Program and an income-based criterion at or) Docket No. 040604-TL
below 135% of the Federal Poverty Guidelines)
as eligibility criteria for the Lifeline and Link-Up) Filed: December 17, 2004
programs.)

**JOINT PREHEARING STATEMENT OF
FCCA/COMPSOUTH, AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, LLC, MCIMETRO ACCESS TRANSMISSION SERVICES, LLC, MCI
WORLD COM COMMUNICATIONS, INC., AND FLORIDA DIGITAL
NETWORK, INC. D/B/A FDN COMMUNICATIONS**

The Florida Competitive Carriers Association/Competitive Carriers of the South, Inc. (hereinafter "FCCA/CompSouth"),¹ AT&T Communications of the Southern States, LLC (hereinafter "AT&T"), MCI metro Access Transmission Services, LLC, and MCI WorldCom Communications, Inc. (hereinafter "MCI"), and Florida Digital Network, Inc. d/b/a FDN Communications (collectively the "Joint CLECs"), pursuant to Order No. PSC-04-1066-PCO-TL, issued November 1, 2004, submit the following Joint Prehearing Statement in the above-captioned docket.

(A)/(B) Witnesses, Subject Matter Issue(s), and Exhibit(s)

FCCA/CompSouth, AT&T, MCI, and FDN intend to sponsor the testimony of the following witness:

¹ The members of FCCA include AT&T, MCI, Access Integrated Networks, Inc., ICG Communications, Inc., IDS Telcom LLC, ITC DeltaCom, Inc., KMC Telecom, Network Telephone Corporation, NewSouth Communications, Inc., Supra Telecommunications and Information Systems, Inc., and Z-Tel Communications, Inc. With the exceptions of Supra and ICG, each of these members, is also a member of the Competitive Carriers of the South, Inc. (CompSouth). The members of CompSouth include: Access Integrated Networks, Inc., Access Point Inc., MCI, Birch Telecom, Covad Communications Company, AT&T, Talk America, Nuvox Communications, Inc., ITC^DeltaCom, Xspedius Communications, Momentum Telecom, Inc., Network Telephone Corp., KMC Telecom, LecStar Telecom, Inc., Z-Tel Communications, Inc., InLine and IDS Telcom LLC. As of January 1, 2005, FCCA will merge and become a part of CompSouth.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

<u>Witnesses:</u>	<u>Testimony Filed</u>	<u>Issues:</u>
David L. Kaserman, PhD	Rebuttal Testimony	4 and 6A
 <u>Witness Exhibits:</u>		
Exhibit DLK-1	Resume	

(C) Basic Position

The Commission should not adopt an intrastate USF fund in this proceeding. The Commission has the statutory authority to create an intrastate USF fund. Indeed, the Commission has already established an interim USF mechanism. The existing USF mechanism has been in place since 1995 and was premised on the finding that all carriers were already paying a fair share to support universal service through existing rates paid for ILEC services. (Order No. PSC-95-1592-FOF-TP, issued December 27, 1995). In addition, the interim mechanism contains a specific process for requesting changes. The interim mechanism provides that any time an ILEC believes that competition has eroded its ability to provide for universal service, it may petition the Commission for modification of the interim mechanism. Those advocating a USF fund in this proceeding have failed to comply with the Commission's process for altering the existing USF mechanism and have failed to make any showing that any circumstances have changed such that the Commission's existing interim mechanism should be modified.

(D) (D,E,F) Questions of Fact, Law, Policy

ISSUE 1: Is the Commission authorized under state or federal law to order the actions set forth in Order No. PSC-04-0781-PAA-TL?

Joint CLECs' POSITION: The Joint CLECs take no position on this issue at this time.

ISSUE 2: Are the actions taken by the Commission in Order PSC-04-0781-PAA-TL reasonable and non-discriminatory?

Joint CLECs' POSITION: The Joint CLECs take no position on this issue at this time.

ISSUE 3: Should the Commission address the Lifeline and Link-Up issues in rulemaking pursuant to Section 120.54, Florida Statutes?

Joint CLECs' POSITION: The Joint CLECs take no position on this issue at this time.

ISSUE 4: What are the economic and regulatory impacts of implementing the actions taken by the commission in Order No. PSC 04-0781-PAA-TL?

Joint CLECs’: The modest changes proposed for the program’s eligibility requirements appear unlikely to create a need for a state-level universal service fund. Creation of such a fund would not be justified on cost/benefit grounds. Moreover, proposals to institute such a fund and to require all telecommunications carriers to contribute to it is a distinctly bad idea on economic grounds.

ISSUE 5A: Should consumers be allowed to self certify for program based Lifeline and Link-Up eligibility?

Joint CLECs’ POSITION: No (except FDN takes no position).

ISSUE 5B: If so, how much assistance should be provided for customers using self-certification?

Joint CLECs’ POSITION: The Joint CLECs take no position on this issue at this time.

ISSUE 6: Is the Commission authorized under state or federal law to establish a state lifeline funding mechanism? If so;

Joint CLECs’ POSITION: The Commission has the statutory authority to establish a state Universal Service Fund. However, the Commission should not establish such a fund in this proceeding. The ILECs that have proposed a USF fund have failed to comply with the Commission’s requirements to justify the establishment of a state USF fund.

ISSUE 6A: What is the appropriate state lifeline funding mechanism and how should it be implemented and administered?

Joint CLECs' POSITION: The existing interim USF mechanism is the most appropriate lifeline funding mechanism. The modest changes proposed for the program's eligibility requirements appear unlikely to create a need for a state-level universal service fund. Creation of such a fund would not be justified on cost/benefit grounds. Requiring all telecommunications carriers to contribute to a USF fund is a distinctly bad idea on economic grounds.

(G) Stipulated Issues

No issues have been stipulated at this time.

(H) Pending Motions

CompSouth, AT&T, MCI, and FDN have petitions to intervene pending at the time of filing the instant Prehearing Statement.

(I) Claims of Confidentiality

None.

(J) Other Requirements

There are no requirements of which AT&T, MCI, FDN, or FCCA/CompSouth are aware of that cannot be complied with.

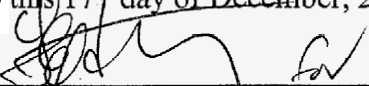
(K) Other Pending Decisions

None.

(L) Objections to Witness Qualifications

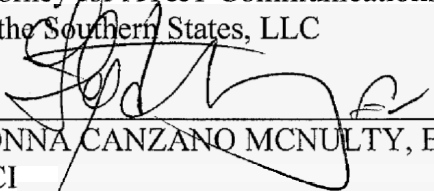
None at this time.

RESPECTFULLY SUBMITTED this 17th day of December, 2004.



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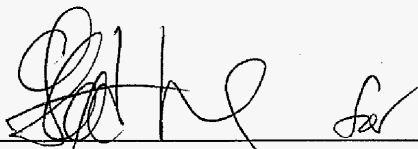
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery and/or U. S. Mail this 17th day of December, 2004.

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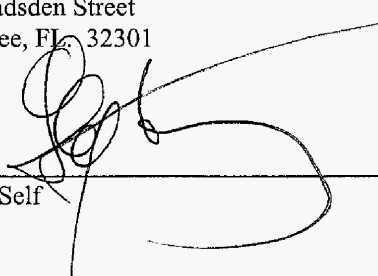
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Floyd R. Self



A handwritten signature in black ink, appearing to read 'Floyd R. Self', is written over a horizontal line. The signature is stylized and somewhat cursive.