

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into
pricing of unbundled network
elements.

DOCKET NO. 990649-TP
ORDER NO. PSC-01-2132-PCO-TP
ISSUED: October 29, 2001

ORDER APPROVING ISSUES AND CREATING SUB-DOCKETS

On May 25, 2001, this Commission issued its Final Order on Rates for Unbundled Network Elements Provided by BellSouth (Phases I and II), Order No. PSC-01-1181-FOF-TP. Within the Order, we addressed the appropriate methodology, assumptions, and inputs for establishing rates for unbundled network elements for BellSouth Telecommunications Inc. (BellSouth). We ordered that the identified elements and subloop elements be unbundled for the purpose of setting prices, and that access to those subloop elements shall be provided. We also determined that the inclusion of non-recurring costs in recurring rates should be considered where the resulting level of non-recurring charges would constitute a barrier to entry. In addition, we defined xDSL-capable loops, and found that a cost study addressing such loops may make distinctions based upon loop length. We then set forth the UNE rates, and held that they shall become effective when existing interconnection agreements are amended to incorporate the approved rates, and those agreements become effective. Furthermore, we ordered BellSouth to refile, within 120 days of the issuance of the Order, revisions to its cost study addressing hybrid copper/fiber xDSL-capable loops, network interface devices (NIDs), and cable engineering and installation. The parties to the proceeding were also ordered to refile within 120 days of the issuance of the Order, proposals addressing network reliability and security concerns as they pertain to access to subloop elements.

I. Issues

On September 24, 2001, BellSouth filed the revisions to its cost study. On October 23, 2001, our staff and the parties held an issues identification conference. The following issues were identified at the conference:

1. (a) Are the loop cost studies submitted in BellSouth's 120-day filing compliant with Order No. PSC-01-1181-FOF-TP?

DOCUMENT NUMBER DATE

13638 OCT 29 2001

ISSUED BY: J. J. CLERK

- (b) Should BellSouth's loop rate or rate structure, previously approved in Order No. PSC-01-2051-FOF-TP, be modified? If so, to what extent, if any, should the rates or rate structure be modified?
2. (a) Are the ADUF and ODUF cost studies submitted in BellSouth's 120-day compliance filing appropriate?
- (b) Should BellSouth's ADUF and ODUF rates or rate structure, previously approved in Order No. PSC-01-2051-FOF-TP, be modified? If so, to what extent, if any, should the rates or rate structure be modified?
3. (a) Is the UCL-ND loop cost study submitted in BellSouth's 120-day filing compliant with Order No. PSC-01-1181-FOF-TP?
- (b) What modifications, if any, are appropriate, and what should the rates be?
4. (a) What revisions, if any, should be made to NIDs in both the BSTLM and the stand-alone NID cost study?
- (b) To what extent, if any, should the rates or rate structure be modified?
5. (a) What is a "hybrid copper/fiber xDSL-capable loop" offering, and is it technically feasible for BellSouth to provide it?
- (b) Is BellSouth's cost study contained in the 120-day compliance filing for the "hybrid copper/fiber xDSL-capable loop offering appropriate?
- (c) What should the rate structure and rates be?
6. In the 120-day filing, has BellSouth accounted for the impact of inflation consistent with Order No. PSC-01-2051-FOF-TP?
7. Apart from Issues 1-6, is BellSouth's 120-day filing consistent with the Orders in this docket?

ORDER NO. PSC-01-2132-PCO-TP
DOCKET NO. 990649-TP
PAGE 3

Upon consideration, the issues as proposed are approved for consideration in this docket.

II. Sub-Dockets

Our staff has suggested a means of dividing this Docket into sub-dockets in an effort to alleviate confusion as to whether filings are intended for the BellSouth track of this Docket or the Sprint-Verizon track of this Docket. It was recommended that the Docket be divided into 990649A-TP, in which filings directed towards the BellSouth track would be placed, and 990649B-TP, in which filings directed towards the Sprint-Verizon track would be placed. Staff indicated that since confusion regarding the filings in this Docket did not appear to be a problem until the early part of this year, it would be appropriate to separate the filings in this Docket beginning with those filed since January 1, 2001. Staff Counsel has indicated that the parties agree that this proposal may prove helpful in providing some level of clarity regarding filings in this Docket.

Upon consideration, I find our staff's proposal acceptable. The parties shall designate all future filings in this Docket for either sub-docket 990649A-TP or 990649B-TP.

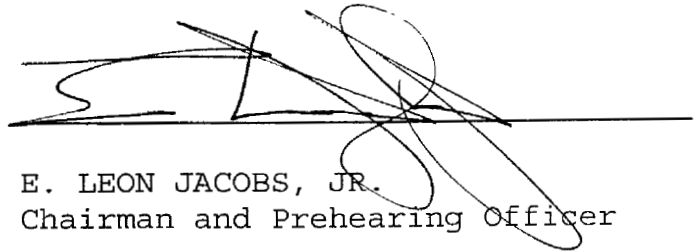
Based upon the foregoing, it is

ORDERED by Commissioner E. Leon Jacobs, Jr., as Prehearing Officer, that the issues proposed in the body of this Order are approved for consideration in this Docket. It is further

ORDERED that our staff's proposal to divide this Docket into sub-dockets is accepted. The parties shall designate all future filings in this Docket for either sub-docket 990649A-TP or 990649B-TP.

ORDER NO. PSC-01-2132-PCO-TP
DOCKET NO. 990649-TP
PAGE 4

By ORDER of Chairman E. Leon Jacobs, Jr. as Prehearing Officer, this 29th Day of October, 2001.



E. LEON JACOBS, JR.
Chairman and Prehearing Officer

(S E A L)

WDK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal

ORDER NO. PSC-01-2132-PCO-TP
DOCKET NO. 990649-TP
PAGE 5

and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.