

MCWHIRTER REEVES
ATTORNEYS AT LAW

ORIGINAL

TAMPA OFFICE:
400 NORTH TAMPA STREET, SUITE 2450
TAMPA, FLORIDA 33602
P. O. BOX 3350 TAMPA, FL 33601-3350
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:

TALLAHASSEE

TALLAHASSEE OFFICE:
117 SOUTH GADSDEN
TALLAHASSEE, FLORIDA 32301
(850) 222-2525
(850) 222-5606 FAX

November 5, 1999

VIA HAND DELIVERY

Blanca S. Bayo, Director
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RECORDS AND
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Re: Docket Number 990649

Dear Ms. Bayo:

I am enclosing for filing and distribution the original and 15 copies of the Joint Prehearing Statement in the above-referenced matter.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me in the envelope provided.

Thank you for your assistance.

Yours truly,

Joseph A. McGlothlin /jk
Joseph A. McGlothlin

- AFA _____
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- JAM/jk
- enc.
- enc.: Tracy Hatch;
- Donna Canzano McNulty;
- Michael A. Gross;
- Scott A. Sapperstein;
- Laura L. Gallagher;
- Peter M. Dunbar and Marc W. Dunbar, Pennington Law Firm;
- Eric J. Branfman and Morton J. Posner of Swidler Berlin et al;
- Norman H. Horton, Jr. and Floyd R. Self of Messer Capareello & Self, P.A.;
- Richard D. Melson of Hopping Green Sams & Smith, P.A.;
- Mark Buechele;
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13638 NOV-5 99
FPSC-RECORDS/REPORTING

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Investigation into Pricing of)
Unbundled Network Elements)
_____)

DOCKET NO. 990649-TP

Filed: November 5, 1999

JOINT PREHEARING STATEMENT

Pursuant to Order No. PSC- 99-1397-PCO-TP, this Joint Prehearing Statement is filed on behalf of the following parties: Florida Competitive Carriers Association (FCCA); AT&T Communications of the Southern States, Inc. (AT&T); Covad Communications Company (Covad); American Communications Services of Jacksonville, Inc. d/b/a e.spire Communications, Inc. (e.spire); Florida Cable Telecommunications Association, Inc. (FCTA); Florida Digital Network, Inc. (Florida Digital); Intermedia Communications, Inc. (Intermedia); KMC Telecom, Inc., KMC Telecom II, Inc., and KMC Telecom III, Inc. (KMC); MCI WorldCom, Inc. and its Operating Subsidiaries (MCI WorldCom); MediaOne Florida Telecommunications, Inc.(MediaOne); Northpoint Communications, Inc. (Northpoint); Rhythms Links Inc., f/k/a ACI Corp. (Rhythms); Supra Telecommunications and Information System (Supra); and Time-Warner Telecom of Florida, L.P. (Time Warner Telecom).

A. APPEARANCES:

JOSEPH A. MCGLOTHLIN and VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen, P.A., 117 South Gadsden Street, Tallahassee, Florida 32301. (Attorneys for Florida Competitive Carriers Association)

RICHARD D. MELSON, Hopping Green Sams & Smith, P.A., Post Office Box 6526, Tallahassee, FL 32314 (Attorney for Rhythms Links f/k/a ACI Corp.)

JEREMY MARCUS, Blumenfeld & Cohen, 1625 Massachusetts Avenue N.W., Suite 300, Washington, D.C. 20036 (Attorney for Rhythms Links f/k/a ACI Corp.)

TRACY HATCH, AT&T, 101 North Monroe Street, Suite 700, Tallahassee, FL 32301, (Attorney for AT&T Communications of the Southern States, Inc.)

CHRISTOPHER V. GOODPASTOR, Covad Communications Company, 9600 Great Hills Trail, Suite 150 W, Austin, TX 78759 (Attorney for Covad Communications Company)

NORMAN H. HORTON, JR., FLOYD R. SELF, Messer, Caparello & Self P.A., P.O. Box 1876, Tallahassee, FL 32302 (Attorneys for e.spire Communications, Inc.) (Attorneys for Northpoint Communications, Inc.)

MICHAEL A. GROSS, Vice President of Regulatory Affairs & Regulatory Counsel, 310 North Monroe Street, Tallahassee, FL 32301 (Attorney for Florida Cable Telecommunications Association)

DOCUMENT NUMBER-DATE

13638 NOV-5 000996

FPSC-RECORDS/REPORTING

ERIC J. BRANFMAN, MORTON J. POSNER, Swidler Berlin Shereff Friedman, LLP,
3000 K Street, NW, Suite 300, Washington D.C. 20007-5116
(Attorneys for Florida Digital Network, Inc.)
(Attorneys for KMC Telecom, Inc.; KMC Telecom, II, Inc.; and KMC Telecom, III, Inc.)

SCOTT A. SAPPERSTEIN, Sr. Policy Counsel, Intermedia Communications, 3625
Queen Palm Drive, Tampa, FL 33619, (Attorney for Intermedia Communications)

LAURA L. GALLAGHER, 101 North College Avenue, Suite 302, Tallahassee, FL
32301, (Attorney for MediaOne Florida Telecommunications, Inc.)

DONNA CANZANO MCNULTY, MCI WorldCom, Inc., 325 John Knox Road, The
Atrium Building - Suite 105, Tallahassee, FL 32303,
RICHARD D. MELSON, Hopping Green Sams & Smith, P.A., Post Office Box 6526,
Tallahassee, FL 32314
(Attorneys for MCI WorldCom)

MARK BUECHELE, 2620 SW 27th Avenue, Miami, FL 33133-3001, (Attorney for
Supra Telecommunications and Information Systems, Inc.)

PETER M. DUNBAR, MARC W. DUNBAR, Pennington, Moore, Wilkinson, Bell &
Dunbar, P.A., Post Office Box 10095, Tallahassee, FL 32302, (Attorneys for Time
Warner AxS d/b/a Time-Warner Telecom of Florida)

B. WITNESSES:

FCCA, AT&T, MCI WorldCom, e.spire, FCTA, Covad, Intermedia, Florida Digital, and
Rhythms intend to call the following witnesses to offer testimony on the issues indicated
below:

<u>Direct</u>	<u>Issues Addressed</u>
Joe Gillan o/b/o FCCA	1(a)-(g), 2, 3(a)-(e)
August H. Ankum o/b/o AT&T, MCI WorldCom	1(a)(c)(f)(g), 3(a)
James C. Falvey o/b/o e.spire	1(a)-(g), 2, 3(a)-(d)
William J. Barta o/b/o FCTA	1(a)-(g), 2, 3(a)-(e)
Terry L. Murray o/b/o Covad	1(a)-(g), 3(a)-(e)
Julia O. Strow o/b/o Intermedia	1(a)-(g), 2, 3(a)-(b)

<u>Rebuttal</u>	<u>Issues Addressed</u>
Joe Gillan o/b/o FCCA	1(a)-(c) (f)
August H. Ankum o/b/o AT&T, MCI WorldCom	1(c)(f), 3(a)

James C. Falvey o/b/o e.spire	1(a)(d)(f)(g), 2, 3(a)-(d)
William J. Barta o/b/o FCTA	1(a)-(c) (f)
Terry L. Murray o/b/o Covad, Rhythms	1(c)-(f), 3(a)
Julia O. Strow o/b/o Intermedia	1(a)-(c) (f)
Jeanne Senatore o/b/o Florida Digital	1(a)-(c) (f), 3(a)
Robert Williams o/b/o Rhythms	1(a)-(c) (f)
(adopting Testimony of Eric H. Geis)	

<u>Surrebuttal</u>	<u>Issues Addressed</u>
Julio O. Strow o/b/o Intermedia	1(c)(e)(f), 2, 3(a)
Don J. Wood o/b/o AT&T and MCI WorldCom	1(b)(c)(f), 3(a)
Terry L. Murray o/b/o Covad, Rhythms	1(a)(c)(f)(g), 3(a)(d)

C. EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
AHA-1	Ankum o/b/o AT&T and MCI WorldCom	Ankum's resumé and list of expert appearances
WJB-1	Barta o/b/o FCTA	Barta's resumé and list of expert testimony appearances
TLM-1	Murray o/b/o Covad	Murray's resumé and list of expert appearances
DJW-1	Wood o/b/o AT&T and MCI WorldCom	Vita Don J. Wood and list of expert appearances
DJW-2	"	HAI Model, Release 5.1, Inputs Portfolio
EHG-1	Geis o/b/o Rhythms	Biography
EHG-2	Geis o/b/o Rhythms	BST Press Release re FastAccess ADSL
EHG-3	Geis o/b/o Rhythms	BST ADSL Tariff Revisions

D. STATEMENT OF BASIC POSITION:

The parties to this Joint Prehearing Statement urge the Commissioners to resolve Phase I on the basis of the following positions and to move expeditiously to Phase II of this proceeding.

E. STATEMENT OF ISSUES AND POSITIONS:

ISSUE 1: DEAVERAGING OF UNES

1(a) Which UNEs, excluding combinations, should be deaveraged?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

The above parties recommend the entry of an order requiring the large ILECs (BellSouth, GTE and Sprint) to file deaveraged cost studies for the local loop network element in Phase II. BellSouth, GTE, and Sprint should submit cost studies (recurring and non-recurring) for the following loop UNEs:

1. 2 wire analog loop
2. 4-wire analog loop
3. 2-wire ISDN/IDSL loop
4. 2-wire xDSL capable loop¹
5. 4-wire xDSL capable loop¹
6. DS-1 loop
7. 4-wire 56/64 kbps loop
8. DS-3

1(b) Which UNE combinations, if any, should be deaveraged?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

Deaveraged cost studies (for both recurring and non-recurring costs) should be filed for the following specific combinations:

- 1) Loop, local switching (with signaling) and shared transport
- 2) Loop, DS0/1 multiplexing, DS1 interoffice transport
- 3) DS1 Loop, DS1 interoffice transport
- 4) DS1 loop, DS1/3 multiplexing, DS3 interoffice transport

If the Commission determines, at the conclusion of Phase II, to deaverage any other network elements, then the price of any combination that includes one or more of such deaveraged elements should be calculated to reflect the deaveraged cost of such element.

1(c) What is the appropriate basis for deaveraging UNEs?

¹ The term xDSL-capable refers to a continuous facility that can support any xDSL technology without impediment, irrespective of the xDSL equipment choice of the CLEC. xDSL-capable loops should not be artificially limited by technology or distance.

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

UNEs should be deaveraged on the basis of TELRIC. Cost results should be provided by wire center. Once the cost studies have been submitted, proposals to develop specific zones should be presented by the parties to the Commission for evaluation.

1(d) Should the degree of deaveraging be uniform for all UNEs?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

The same set of zones should be used for all loop UNEs. Specific zone proposals should be considered in Phase II.

1(e) Should the degree of deaveraging be uniform for all affected ILECs for which deaveraged rates are appropriate?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

This issue should be decided in Phase II after actual cost data is available.

1(f) What other factors or policy considerations, if any, should be considered in determining deaveraged UNE rates?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

Deaveraged UNE rates should be based only on costs and administrative convenience (i.e., it is appropriate to consider whether the cost to implement an additional zone is justified by the benefits of such deaveraging and the likely demand for a UNE in a particular zone). If an ILEC experiences effects from competition, existing Commission orders and Florida Statutes provide the ILEC the opportunity to petition for universal service relief (documented by actual, not speculative need) or propose a rate rebalancing.

- 1(g) What supporting data or documentation should an ILEC provide with its deaverage filing?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

Each ILEC should make available its underlying cost study, in both hard copy and electronic form, with sufficient documentation of the model or models to permit parties to reproduce the ILEC's results and to perform sensitivity analyses. The ILEC shall also provide full documentation of all inputs and assumptions, including copies of all internal engineering guidelines relating to its network design assumptions. Cost studies will also provide references back to ILEC source documents to verify input assumptions and data. The ILEC should supply on request all such source documents, including vendor contracts. Proprietary data may be provided under a Commission-approved protective agreement.

ISSUE 2: COMBINATIONS OF NETWORK ELEMENTS

2. How can one determine which UNEs an ILEC "currently combines" (51.315(b)), versus those which are not "ordinarily combined in the incumbent LEC's network" (51.315(c))?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

Because of the legal uncertainty surrounding the status (and meaning) of Rule 51.315(c), the parties agree to address this issue in Phase II (if needed). The ILECs are required, however, to provide existing combinations of network elements to CLECs at TELRIC prices in accordance with 51.315(b) and the FCC's UNE pricing rules.

ISSUE 3: COST STUDIES

- 3(a) What guidelines and specific requirements should be imposed on recurring and nonrecurring cost studies, if any, required to be filed in this proceeding?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

Cost studies must comply with all effective federal rules codified in CFR § 51.501-511. Specific

guidelines include, but are not limited to, the following principles: The ILECs should assume the same network design for calculating both recurring and non-recurring costs. The network design should include an assumption that the ILECs have provided competitors with nondiscriminatory access to all operations support systems and associated databases. The network design should treat the existing ILEC wire center locations as fixed, but should assume that the ILECs deploy the least-cost, most efficient, forward-looking technology available to meet customer demand and that they deploy that technology in the most efficient manner possible, given existing and reasonably foreseeable demand. This would include an assumption of efficient utilization of plant, given the economic life of that plant and expected growth rates over that period.

3(b) For which UNEs should the ILECs submit cost studies sufficient to deaverage those UNEs identified in Issues 1(a) and 1(b)?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

The ILECs should submit deaveraged cost studies for the loop UNEs identified in Issue 1(a), as well as any combination that includes a loop UNE.

3(c) To the extent not included in Issue 3(b), should the ILECs be required to file recurring costs studies for any remaining UNEs, and combinations thereof, identified by the FCC in its forthcoming order on the Rule 51.319 remand?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

In addition to the deaveraged loop prices listed in 1(a), BellSouth, GTE, and Sprint should file revised cost studies (which are not required to be deaveraged) for the local switching network element, as well as:

DS0/1 multiplexing
DS1/3 multiplexing
DS3 Interoffice Transport

BellSouth, GTE, and Sprint should file cost studies for any new UNE adopted by the FCC in its remand decision and revised Rule 51.319.

3(d) To the extent not included in Issue 3(b), should the ILECs be required to file

nonrecurring cost studies for any remaining UNEs, and combinations thereof, identified by the FCC in its forthcoming order on the Rule 51.319 remand?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

ILECs should file non-recurring cost studies for each new element identified in 3(c), the loop UNEs listed in 1(a), as well as non-recurring cost studies for the combinations listed in 1(b).

3(e) When should the cost studies identified in Issues 3(b), (c), and (d) be filed?

Position of FCCA, Rhythms, AT&T, Covad, e.spire, FCTA, Florida Digital, Intermedia, MCI WorldCom, MediaOne, Northpoint, Supra, Time Warner Telecom, and KMC:

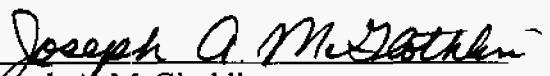
Cost studies should be filed within sixty (60) days from the conclusion of Phase I.

F. STIPULATED ISSUES:

None.

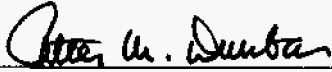
G. PENDING MOTIONS:

None.²


Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
117 South Gadsden Street
Tallahassee, FL 32301

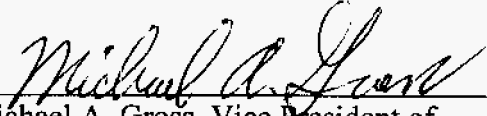
Attorneys for Florida Competitive Carriers
Association

² Covad reserves the right to supplement this statement based on the results of pending discovery.



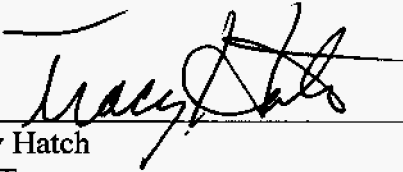
Peter M. Dunbar
Marc W. Dunbar
Pennington, Moore, Wilkinson,
Bell & Dunbar, P.A.
Post Office Box 10095
Tallahassee, FL 32302

Attorneys for Time Warner AxS d/b/a
Time-Warner Telecom of Florida



Michael A. Gross, Vice President of
Regulatory Affairs & Regulatory Counsel
310 North Monroe Street
Tallahassee, FL 32301

Attorney for Florida Cable
Telecommunications Association



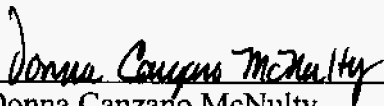
Tracy Hatch
AT&T
101 North Monroe Street, Suite 700
Tallahassee, FL 32301

Attorney for AT&T Communications of the
Southern States, Inc.



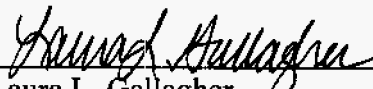
Scott A. Sapperstein, Sr. Policy Counsel
Intermedia Communications
3625 Queen Palm Drive
Tampa, FL 33619

Attorney for Intermedia Communications



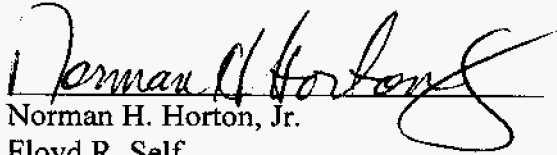
Donna Canzano McNulty
MCI WorldCom, Inc.
325 John Knox Road
The Atrium Building - Suite 105
Tallahassee, FL 32303

Attorney for MCI WorldCom, Inc. and its
Operating Subsidiaries



Laura L. Gallagher
101 East College Avenue, Suite 302
Tallahassee, FL 32301

Attorney for MediaOne Florida
Telecommunications, Inc.



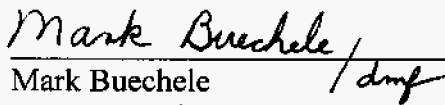
Norman H. Horton, Jr.
Floyd R. Self
Messer, Caparello & Self P.A.
P.O. Box 1876
Tallahassee, FL 32302

Attorneys for e.spire Communications, Inc.
and
Attorneys for Northpoint



Richard D. Melson
Hopping Green Sams & Smith, P.A.
Post Office Box 6526
Tallahassee, FL 32314

Attorney for Rhythms Links f/k/a ACI Corp.



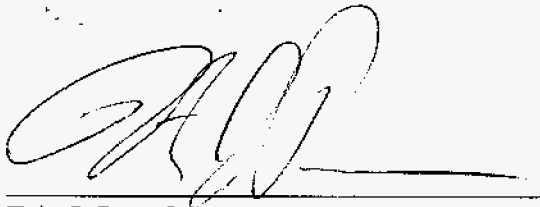
Mark Buechele
2620 SW 27th Avenue
Miami, FL 33133-3001

Attorney for Supra Telecommunications and
Information Systems, Inc.



Christopher V. Goodpastor
Covad Communications Company
9600 Great Hills Trail, Suite 150 W
Austin, TX 78759

Attorney for Covad Communications
Company



Eric J. Branfman

Morton J. Posner

Swidler Berlin ShereffFriedman, LLP

3000 K Street, NW, Suite 300

Washington D.C. 20007-5116

Attorneys for Florida Digital Network, Inc.

and

Attorneys for KMC Telecom, Inc.; KMC

Telecom, II, Inc.; and KMC Telecom, III, Inc..

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Joint Prehearing Statement of Florida Competitive Carriers Association ; AT&T Communications of the Southern States, Inc.; Covad Communications Company; American Communications Services of Jacksonville, Inc. d/b/a e.spire Communications, Inc.; Florida Cable Telecommunications Association, Inc.; Florida Digital Network, Inc.; Intermedia Communications, Inc.; KMC Telecom, Inc., KMC Telecom II, Inc., and KMC Telecom III, Inc.; MCI WorldCom, Inc. and its Operating Subsidiaries; MediaOne Florida Telecommunications, Inc.; Northpoint Communications, Inc.; Rhythms Links Inc., f/k/a ACI Corp.; Supra Telecommunications and Information System; and Time-Warner Telecom of Florida, L.P., was delivered by hand-delivery(*) and U.S. Mail this 5th day of November, 1999 to:

(*)Beth Keating
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Jeffrey Wahlen
Ausley Law Firm
P.O. Box 391
Tallahassee, FL 32301

(*)Donna Clemons
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850


Charles J. Rehwinkel
Post Office Box 2214
Tallahassee, FL 32316-2214

Nancy B. White
c/o Nancy H. Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, FL 32301-1556

John P. Fons
227 South Calhoun Street
Post Office Box 391
Tallahassee, FL 32302-0391

Jeffrey Blumenfeld
Blumenfeld & Cohen
1615 M. Street, NW, Suite 700
Washington, DC 20036

Kimberly Caswell
GTE Florida Incorporated
P.O. Box 110, FLTC0007
Tampa, FL 33601-0110


Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin,
Davidson, Decker, Kaufman,
Arnold & Steen, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301
Telephone: (850) 222-2525
Telecopy: (850) 222-5606
Attorneys for Florida Competitive
Carriers Association