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RECORDS AND
REPORTING

November 5, 1999

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 990649-TP

Dear Ms. Bayo:

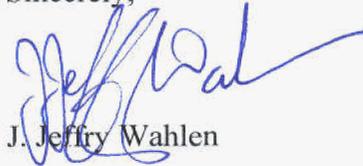
Enclosed for filing in the above docket are the original and fifteen (15) copies of ALLTEL Communications' Prehearing Statement.

We are also submitting the Prehearing Statement on a 3.5" high-density diskette using Microsoft Word 97 format, Rich Text.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,



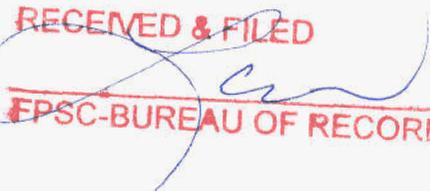
J. Jeffrey Wahlen

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- SEC 1 _____
- WAW _____
- OTH _____

Enclosures

cc: All parties of record

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

13646 NOV-5 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing of
unbundled network elements

DOCKET NO. 990649-TP
FILED: November 5, 1999

PREHEARING STATEMENT

ALLTEL Communications, Inc. ("ALLTEL Communications" or the "Company"), pursuant to Order No. PSC-99-1397-PCO-TP, submits the following Prehearing Statement:

A. **WITNESS**: ALLTEL Communications did not pre-file testimony and does not intend to sponsor a witness at the final hearing; however, ALLTEL reserves the right to cross-examine other witnesses at the hearing.

B. **EXHIBITS**: ALLTEL Communications did not pre-file any exhibits, but reserves the right to use exhibits submitted by others during cross-examination.

C. **BASIC POSITION**: Only ILECs with FPSC approved agreements to provide UNEs should be required to deaverage UNEs. For those ILECs, UNEs should be geographically deaveraged where significant geographic cost differences exist into at least three zones. At a minimum, this would include loops, and may include other UNEs such as switching and transport. Where there are no significant cost differences, no geographic deaveraging should be required. Forward looking costs should be used to determine whether significant cost differences exist. The Commission's final order in this docket should make it clear that rural companies retain their right under Section 251(f)(2) to seek a modification of the deaveraging requirements established in this proceeding under the standard in Section 251(f)(2).

DOCUMENT NUMBER-DATE

13646 NOV-5 99

FPSC-RECORDS/REPORTING

D-G. ISSUES AND POSITIONS:

Issue 1: Deaveraging of UNEs:

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

Position: Only ILECs with FPSC approved agreements to provide UNEs should be required to deaverage. For those ILECs, UNEs should be geographically deaveraged where significant geographic cost differences exist into at least three zones. At a minimum, this would include all loops, and may include other UNEs such as switching and transport.

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

Position: UNE combinations should be deaveraged if one of the UNEs in the combination must be deaveraged due to the geographic cost differences for that element. The price for the combined UNE should be the sum of the individual UNEs.

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

Position: UNEs should be deaveraged based on their forward looking cost characteristics and the FCC rule.

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

Position: No. Deaveraging should be primarily based on the cost characteristics of the individual elements.

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

Position: No. Just as UNEs themselves have different cost characteristics, ILECs themselves have different cost characteristics and drivers for their respective UNEs; therefore,

deaveraging should not be uniform across all ILECs and a uniform approach should not be imposed..

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

Position: Only ILECs with FPSC approved agreements to provide UNEs should be required to deaverage, and for those ILECs whether there are significant cost differences should be the primary consideration; however, the Commission's final order in this docket should make it clear that rural companies retain their right under Section 251(f)(2) to seek a modification of the deaveraging requirements established in this proceeding under the standard in Section 251(f)(2).

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

Position: ILECs subject to the deaveraging requirement should file forward looking cost data, together with the supporting documentation (inputs, assumptions, models and narrative) sufficient to allow for a meaningful analysis of the study.

Issue 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: The determination should be made based on a review of the services offered in the individual ILEC's wholesale or retail tariff.

Issue 3: Cost Studies:

- (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: No position at this time.

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

Position: ILECs that have FPSC approved agreements to provide UNEs should be required to file cost studies for all UNEs.

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

Position: Yes.

- (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: Yes.

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

Position: ILECs subject to the deaveraging requirement should be given a reasonable, but not excessive, period of time in which to file the studies.

H. **STIPULATIONS:** The Company is not aware of any pending stipulations at this time.

I. **PENDING MOTIONS:** The Company is not aware of any pending motions at this time.

J. **COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE:** The Company does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

Respectfully submitted this 5th day of November, 1999.



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ATTORNEYS FOR ALLTEL COMMUNICATIONS,
INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U. S. Mail or hand delivery (*) this 5th day of November, 1999, to the following:

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