

**ORIGINAL**

In re: Investigation into pricing )  
of unbundled network elements )  
\_\_\_\_\_)

Docket No. 990649-TP

Filed: December 7, 1999

**STIPULATION OF CERTAIN ISSUES AND  
SCHEDULE OF EVENTS**

THIS JOINT STIPULATION (Stipulation) is entered into by and among the following parties (Parties) to this docket: ALLTEL Communications, Inc. (ALLTEL); AT&T Communications of the Southern States, Inc. (AT&T); BellSouth Telecommunications, Inc. (BellSouth); Covad Communications Company (Covad); Florida Cable Telecommunications Association, Inc. (FCTA); Florida Competitive Carriers Association (FCCA); Florida Digital Network, Inc. (Florida Digital); GTE Florida, Incorporated (GTE); 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); Sprint Communications Company Limited Partnership and Sprint-Florida, Incorporated (Sprint); Supra Telecommunications and Information Systems (Supra); and Time-Warner Telecom of Florida, L.P. (Time Warner Telecom).

WHEREAS, the Florida Public Service Commission (Commission) has established this docket for the purpose of establishing rates

for unbundled network elements (UNEs), including deaveraged rates where required; and

WHEREAS, many parties have indicated a desire to bring this docket to resolution as quickly as practical; and

WHEREAS, this Stipulation has been entered into in a good faith attempt to resolve issues currently scheduled for hearing December 13-15, 1999, and in order to allow this docket to move ahead in a prompt and efficient manner; and

NOW THEREFORE, the Parties agree as follows:

#### STIPULATION

#### 1. Deaveraging of UNEs

(a) The Commission will consider in this proceeding whether the recurring rates for the following unbundled network elements should be deaveraged to reflect geographic cost differences:

(i) Loops (all)

(ii) Local switching

(iii) Interoffice transport (dedicated and shared)

(b) Deaveraged UNE prices shall be based on geographic-specific cost studies. Parties will be allowed to advocate or oppose pricing proposals that also consider other factors.

(c) Although three zones should be the target for pricing proposals, a party may offer proposals whose zones

differ from three, as long as it is supported by the underlying cost data.

- (d) Any UNE deaveraging proposal must be accompanied by detailed, disaggregated cost data sufficient to confirm or disconfirm whether or not there are meaningful geographic cost differences associated with the provisioning of the given UNE. Loop cost data will be disaggregated at least at the wire center level. A party should also submit demand data (e.g., billing units) if used to derive the proposed rates for the specific zones.

2. UNE combinations

- (a) Cost studies shall be filed for the following UNE combinations:
  - (i) loop, local switching(with signaling) and shared transport;
  - (ii) loop, DS0/1 multiplexing, DS1 interoffice transport
  - (iii) DS1 loop, DS1 interoffice transport
  - (iv) DS1 loop, DS1/3 multiplexing, DS3 interoffice transport

3. UNE cost studies

- (a) In accord with the FCC's Third Report and Order in CC Docket No. 96-98, the revised Rule 51.319 (if and when effective) requires that the following UNEs must be unbundled and made available in certain circumstances:
- (i) Loops (including high-capacity lines, xDSL-capable loops, and dark fiber)
  - (ii) Subloops (including intrabuilding cable owned by a LEC)
  - (iii) Network Interface Devices
  - (iv) Circuit Switching and Packet Switching
  - (v) Interoffice Transmission
  - (vi) Signaling networks and call-related databases
  - (vii) Operation support systems
  - (viii) CS/DA (where customized routing is unavailable)

A party may propose UNEs in addition to the list of UNEs established in the FCC's Third Report and Order in CC Docket No. 96-98. The standards set forth in Section 51.317 of the FCC's Rules and the foregoing Order for adding additional UNEs shall apply to any such proposal, unless the Rules or Order are modified by Court or further FCC action.

- (b) BellSouth, GTE Florida and Sprint-Florida (the ILECs) shall submit recurring and nonrecurring cost studies,

on a staggered basis, for the UNEs listed in 2(a) and 3(a). The recurring cost studies for 3(a)(i), (ii), (iv) and (v) should also be sufficiently disaggregated to comply with the requirements and purposes of 1(a) and (b). These studies are to be submitted according to the following schedule:

**FOR BELLSOUTH AND SPRINT**

- (i) April 17, 2000: recurring cost studies for items 2(a) and 3(a)(i)-(vi) and (viii)
- (ii) May 1, 2000: nonrecurring cost studies associated with items 2(a) and 3(a)(i)-(vi) and (viii)

**FOR GTE**

- (iii) April 17, 2000: recurring cost studies for items 3(a)(i), except dark fiber, 3(a)(iii)-(vi) and (viii)
- (iv) May 1, 2000: nonrecurring cost studies associated with items 3(a)(i), except dark fiber, 3(a)(iii)-(vi) and (viii)
- (v) June 15, 2000: recurring and nonrecurring cost studies for item 2(a)
- (vi) June 30, 2000: recurring and nonrecurring cost studies for dark fiber and item 3(a)(ii)

Costing and pricing for access to operations support systems will be dealt with in a separate proceeding. This does not preclude consideration in the cost studies filed in this proceeding of costs such as service order processing and service inquiry costs.

- (c) At the time that cost studies are filed, LECs shall submit all work papers, cost models, and supporting documentation (including manuals and instructions), in both hard copy and electronic form (where available), sufficient to enable a reviewer to trace the sequence of calculations that culminates in the cost results. Such documentation should also enable a reviewer to identify the key assumptions underlying the cost analysis. For the xDSL-capable loop study, these include explicit assumptions about loop makeup.
  
- (d) Methodological guidelines for cost studies
  - (i) Studies submitted should comport with the TELRIC cost standard in Rules 51.501 - .511, subject to paragraph 8.
  - (ii) Studies submitted should comport with the general methodology described in ¶ 685 of the First Report and Order in CC Docket No. 96-98 (FCC 96-325), subject to paragraph 8.

- (iii) LECs submitting cost studies are required to demonstrate that they comport with 3(d)(i) and (ii).
- (iv) A cost study for line conditioning, where required to provide an xDSL-capable loop, will be submitted.
- (v) The recurring and nonrecurring studies should assume the same network design. An ILEC may submit a cost study that does not meet this criterion provided that the supporting documentation clearly identifies how the assumptions can be adjusted by a model user to produce a cost study that meets this criterion.

#### 4. Proposed Schedule

- (a) For cost studies due to be filed by May 1, 2000:

July 17-21, 2000	Hearing
mid- September 2000	Staff Recommendation
early October 2000	Order

- (b) For additional GTE cost studies due to be filed by June 30, 2000:

September 20-22, 2000	Hearing
mid-November 2000	Staff Recommendation
early December 2000	Order

5. The Parties agree that there shall be no length restriction on loops (including xDSL-capable loops) that can be ordered from the ILECs, regardless of what loop length assumptions are made in the cost studies for such loops; provided, however, that the ILECs will not be responsible for the xDSL functionality of loops that do not conform to industry standards. ILECs will, however, be obligated to maintain electrical continuity and to provide balance relative to tip and ring on all loops ordered. Notwithstanding the foregoing, all issues regarding line-sharing will be addressed in a separate proceeding.

6. This Stipulation will take effect as soon as the Parties have reached agreement.

7. This Stipulation will be submitted to the Prehearing Officer for approval as soon as it takes effect under Paragraph 6. If this Stipulation is not accepted by the Prehearing Officer in its entirety and without modification, it shall have no further force and effect.


8. Each party agrees that if this Stipulation is approved, it will not challenge in any forum the Commission Order approving the Stipulation. In the event of a reversal by the Eighth Circuit (that is not stayed) of the FCC's pricing rules, the basic terms of this Stipulation will be conformed to that



decision. Moreover, the Stipulation shall have no precedential value and the parties retain the right to challenge in any forum any Commission decisions issued in this or other proceedings, including (but not limited to) rulings on cost methodology, pricing and the nature or extent of the ILECs' unbundling or combination obligations. This Stipulation does not preclude any party from taking any position in this or any other proceeding regarding the appropriate costing methodology, the appropriate pricing approach, or the UNEs or UNE combinations that the ILECs are obligated to provide.

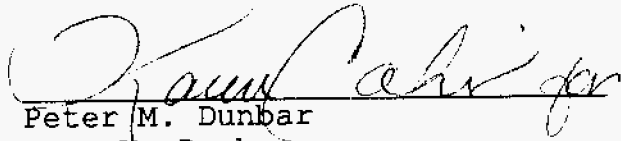
\*\* SIGNATURES FOLLOW ON SEPARATE PAGES \*\*

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.

  
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

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.



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,  
L.P.

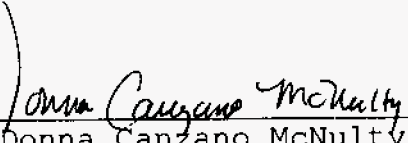
SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.

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

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

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.

  
\_\_\_\_\_  
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

001072

SIGNED THIS 6th DAY OF DECEMBER, 1999.

*Michael A. Gross*

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

Attorney for Florida Cable  
Telecommunications Association,  
Inc.

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.

A handwritten signature in cursive script that reads "Scott A. Sapperstein". The signature is written in black ink and is positioned above a horizontal line.

Scott A. Sapperstein  
Intermedia Communications Inc.  
3625 Queen Palm Drive  
Tampa, FL 33619

Attorney for Intermedia  
Communications Inc.

001074

SIGNED THIS 6th DAY OF DECEMBER, 1999.

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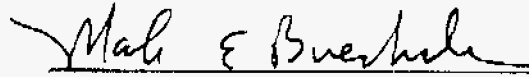
Laura L. Gallagher  
101 East College Avenue, Suite 302  
Tallahassee, FL 32301

Attorney for MediaOne Florida  
Telecommunications, Inc.

001075



SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.



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Mark Buechele  
2620 SW 27<sup>th</sup> Avenue  
Miami, FL 33133-3001

Attorney for Supra  
Telecommunications and Information  
Systems, Inc.

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.

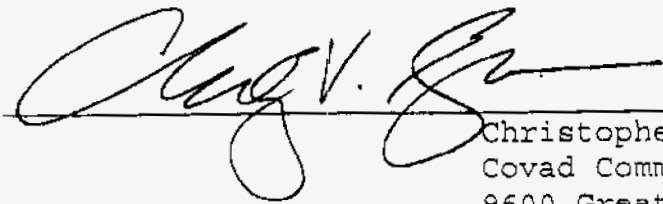
*Richard D. Melson*

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

Attorneys for Rhythms Links Inc.  
f/k/a ACI Corp.

SIGNED THIS 7<sup>th</sup> DAY OF DECEMBER, 1999.



Christopher V. Goodpastor  
Covad Communications Company  
9600 Great Hills Trail, Suite 150

W

Austin, TX 78759

Attorney for Covad Communications  
Company

001078

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.



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.

and

Attorneys for KMC Telecom, Inc.,  
KMC Telecom, II, Inc., and KMC  
Telecom, III, Inc.

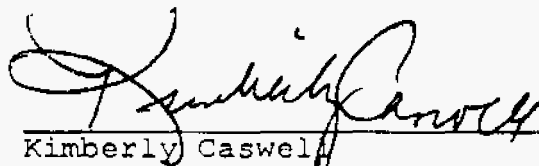
SIGNED THIS 6th DAY OF DECEMBER, 1999.



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

Attorney for BellSouth  
Telecommunications, Inc.

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.



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

Attorney for GTE Florida,  
Incorporated

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.

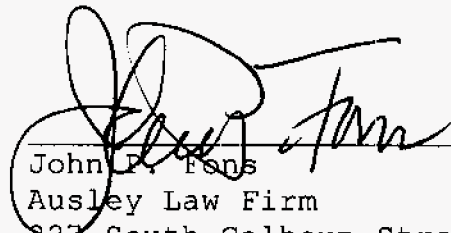


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J. Jeffrey Wahlen  
Ausley Law Firm  
P.O. Box 391  
Tallahassee, FL 32301

Attorneys for ALLTEL  
Communications, Inc.

SIGNED THIS 6<sup>th</sup> DAY OF DECEMBER, 1999.



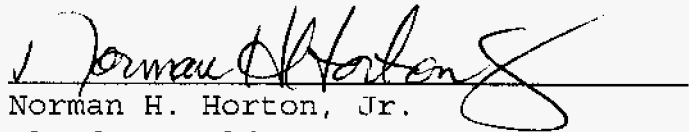
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John P. Fens  
Ausley Law Firm  
227 South Calhoun Street  
P.O. Box 391  
Tallahassee, Fl 32302-0391

Attorneys for Sprint  
Communications Company Limited  
Partnership and Sprint-Florida,  
Incorporated



SIGNED THIS 6 DAY OF DECEMBER, 1999.

A handwritten signature in cursive script, appearing to read "Norman H. Horton, Jr.", is written over a horizontal line.

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

Attorneys for Northpoint  
Communications, Inc.