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June 26, 2000

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BY HAND DELIVERY

Blanca Bayó
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: UNE Cost Docket -- Docket No. 990649-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of BlueStar Networks, Inc. ("BlueStar"), DIECA Communications, Inc. d/b/a/ Covad Communications Company ("Covad") and Rhythms Links Inc. ("Rhythms") are the original and fifteen copies of their Joint Prehearing Statement.

By copy of this letter, this document is being furnished to the parties on the attached service list.

Very truly yours,



Richard D. Melson

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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing) Docket No. 990649-TP
of unbundled network elements)
_____) Filed: June 26, 2000

JOINT PREHEARING STATEMENT
OF BLUESTAR, COVAD AND RHYTHMS

BlueStar Networks, Inc. ("BlueStar"), DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") and Rhythms Links Inc. ("Rhythms") (collectively the "Data ALECs") hereby file their Joint Prehearing Statement for part I of this docket.

APPEARANCES:

NORTON CUTLER and MICHAEL BRESSMAN, BlueStar Networks, Inc., 401 Church Street, 24th Floor, Nashville, TN 37201, appearing on behalf of BlueStar Networks, Inc.

CATHERINE F. BOONE, Covad Communications Company, 10 Glenlake Parkway, Suite 650, Atlanta, Georgia 30328, appearing on behalf of DIECA Communications, Inc. d/b/a Covad Communications Company.

RICHARD D. MELSON, Hopping Green Sams & Smith, P.A., P.O. Box 6526, Tallahassee, FL 32308 and GARY COHEN and JEREMY MARCUS, Blumenfeld & Cohen, 1625 Massachusetts Ave., N.W., Washington, DC 20036, appearing on behalf of Rhythms Links, Inc.

A. Known Witnesses. The Data ALECs have prefiled the direct testimony of Terry L. Murray on Issues 6 and 9(b).

B. Known Exhibits:

Terry L. Murray

TLM-1

Curriculum Vita

The Data ALECs reserve the right to use additional exhibits for purposes of cross-examination.

C. Basic Position. This docket will establish recurring rates and nonrecurring charges for unbundled network elements (UNEs) that are critical to the development of competition within the state of Florida. The Commission should rigorously review the cost studies filed in this proceeding to ensure that both recurring rates and non-recurring charges are based on the same forward-looking network design, and that prices are set at a level that recovers only efficient, forward-looking costs in strict accordance with the requirements of the Telecommunications Act of 1996 and the FCC's pricing rules.

D.-F. Issues and Positions. The following are the Data ALECs' positions on the issues that have been identified for consideration in part I of this docket.

Issue 5: For which signaling networks and call-related databases should rates be set.

Data ALECs: Adopt FCCA position.

Issue 6: Under what circumstances, if any, is it appropriate to recover non-recurring costs through recurring rates?

Data ALECs: The Commission should conduct a rigorous review of the proposed nonrecurring charges and

eliminate costs that are not truly efficient, forward-looking economic costs. If, after completing this process, the total, cumulative nonrecurring charges are still so high as to create a barrier to competitive entry in Florida, then it is appropriate to consider recovering some or all of the remaining non-recurring costs through recurring rates.

Issue 7: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking recurring UNE cost studies?

b) depreciation;

Data ALECs: Adopt FCCA position.

c) cost of capital;

Data ALECs: Adopt FCCA position.

d) tax rates.

Data ALECs: Adopt FCCA position.

Issue 9(b): Subject to the standards of the FCC's Third Report and Order, should the Commission require ILECs to unbundle any other elements or combinations of elements? If so, what are they and how should they be priced?

Data ALECs: The ILECs are required to unbundle line sharing. Nevertheless, pursuant to a stipulation approved by the Commission in Order No. PSC-99-2467-PCO-TP, line sharing issues are not to be addressed in this proceeding. The rates for line-sharing-related elements should therefore be addressed in a different forum.

Issue 13: When should the recurring and non-recurring rates and charges take effect?

Data ALECs: Adopt FCCA position.

G. Stipulations. No issues have been stipulated at this time.

H. Pending Matters. The Data ALECs have no pending motions or other matters that require action at this time.

I. Requirements of Order on Procedure. The Data ALECs have not identified any requirements of the Order on Procedure that cannot be complied with.

RESPECTFULLY SUBMITTED this 26th day of June, 2000.

Michael Bressman / RBM

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by U.S. Mail, hand delivered (*) this 26th day of June, 2000.

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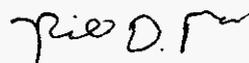
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