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ORIGINAL

August 21, 2000

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 Sprint's Phase II 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.

Yours truly,

John P. Fons

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Enclosures
cc: All parties of record
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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing of unbundled network elements

DOCKET NO. 990649-TP
FILED: 8/21/00

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SPRINT'S PHASE II PREHEARING STATEMENT

Sprint Communications Company, Limited Partnership ("Sprint")[1], pursuant to Order No. PSC-00-0540-PCO-TP, submits the following Phase II Prehearing Statement.

A. WITNESS: In Phase II of this proceeding, Sprint will sponsor the refiled direct (originally filed 5/1/00) and refiled rebuttal testimony (originally filed 7/31/00) of James W. Sichter, Kent W. Dickerson, Steven M. McMahon, and Talmage O. Cox, III.[2] These witnesses will, to the extent Sprint takes a position, address issues 1-4(a), 7(a) and (e)-(v), 8, 9(a), and 10-12. Each of Sprint's positions on the issues will identify the sponsoring witness(es).

B. EXHIBITS: Sprint's witness James W. Sichter has 2 exhibits applicable to Phase II of this proceeding, namely, Exhibit JWS-1 and JWS-2; Sprint's witness Kent W. Dickerson has

[1] Sprint is participating in Phase II of this docket solely as an ALEC/CLEC.

[2] On August 21, 2000, in compliance with Order No. PSC-00-1486-PCO-TP, Sprint withdrew all testimony and exhibits previously filed in this proceeding and identified the refiled testimony and exhibits upon which Sprint (ALEC/CLEC) will rely for both Phases I and II. Only a small portion of Mr. Sichter's Refiled Direct Testimony is applicable to any issue in Phase I. The rest of Sprint's Refiled Direct and Rebuttal Testimony relates to the Phase II issues.

1 exhibit applicable to Phase II of this proceeding, namely, Exhibit KWD-1; Sprint's witness Steven M. McMahon has 4 exhibits applicable to Phase II of this proceeding, namely, Exhibits SMM-1, SMM-2, SMM-3, SMM-4; and Sprint's witness Talmage O. Cox, III has 4 exhibits applicable to Phase II of this proceeding, namely, Exhibits TOC-1, TOC-2, TOC-3, TOC-4.

C. BASIC POSITION:

The 1996 Telecommunications Act, the FCC rules and orders implementing the Act and the court decisions interpreting the Act, require that each ILEC provide new entrants (ALECs" or "CLECs") with unbundled network elements ("UNEs") at cost using a forward-looking cost standard. This forward-looking cost standard is applicable both to recurring prices and non-recurring charges, and is also to be used in determining which UNE costs vary significantly on a geographic basis for purposes of deaveraging. The Commission should ensure that the UNE recurring and non-recurring prices to be charged by each ILEC are developed using a consistent forward-looking cost methodology and deaveraging standard.

D-G. ISSUES AND POSITIONS:

Issue 1: What factors should the Commission consider in establishing rates and charges for UNEs (including deaveraged UNEs and UNE combinations)?

Position: The only factors which the Commission should consider are the forward-looking cost standards authorized by Section

252(d)(1) of the 1996 Telecommunications Act, the FCC's rules and orders implementing that section of the Act, and the court decisions interpreting the Act. (Sichter)

Issue 2: (a) What is the appropriate methodology to deaverage UNEs and what is the appropriate rate structure for deaveraged UNEs?

Position: Prices for UNEs should be deaveraged to the degree necessary to avoid significant deviations between the rate charged and the actual forward-looking costs of providing that UNE in a specific geographic area. The appropriate deaveraging should be on a wire center-by-wire center basis, with wire centers grouped into UNE zones, subject to the constraints that (a) the average rate for a UNE zone should not deviate by more than 20% from the wire center forward-looking cost of that UNE for any wire center included in that zone and (b) the number of zones should not be administratively cumbersome. (Sichter)

(b) For which of the following UNEs should the Commission set deaveraged rates?

(1) loops (all);
(2) local switching;
(3) interoffice transport (dedicated and shared);
(4) other (including combinations).

Position: The forward-looking economic costs for unbundled loops, subloops, local switch ports and local switching usage, common and dedicated transport, and dark fiber all vary

significantly by geographic area and, therefore, should be deaveraged. Additionally, any UNE platforms or combinations which include UNEs that exhibit significant geographic cost variances should likewise be deaveraged. (Sichter)

Issue 3: (a) What are xDSL-capable loops?

Position: At the current time, xDSL capable loops are copper loops that are 18,000 feet in length or shorter and do not contain any devices which impede the xDSL frequency signaling such as repeaters, local coils or excess bridged taps; or have been conditioned to remove such impeding devices. (Dickerson)

(b) Should a cost study for xDSL-capable loops make distinctions based on loop length and/or the particular DSL technology to be deployed?

Position: Other than the 18,000 feet distinction and the need for conditioning, a cost study for xDSL-capable loops need not make any such distinction. (Dickerson)

Issue 4: a) Which subloop elements, if any, should be unbundled in this proceeding, and how should prices be set?

Position: Because subloop elements are a newly defined UNE - FCC Rules: Section 51.319(a)(2) - it is not possible, at this time, to determine which subloop elements will be required or in what amounts. (Dickerson)

(b) How should access to such subloop elements be provided, and how should prices be set?

Position: No position at this time.

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

(a) network design (including customer location assumptions);
(e) structure sharing;
(f) structure costs;
(g) fill factors;
(h) manholes;
(i) fiber cable (material and placement costs);
(j) copper cable (material and placement costs);
(k) drops;
(l) network interface devices;
(m) digital loop carrier costs;
(n) terminal costs;
(o) switching costs and associated variables;
(p) traffic data;
(q) signaling system costs;
(r) transport system costs and associated variables;
(s) loadings;
(t) expenses;
(u) common costs;
(v) other.

Position: No position at this time, except as to Issues 7(n) and 7(r).

7(n) "terminal costs" should be developed by terminal bandwidth (OC3, OC12, OC48) and should include all of the common components to make it operational.

7(r) "transport system costs and associated variables" should include all of the direct cost components required for the service to be fully functional. The largest single

detriment in the unit cost of a DS1, DS3, OC3 or OC12 transport circuit is utilization - the volume of traffic transmitted over a specific transport route. Additionally, terminal bandwidth - OC3, OC12, OC48 - and distance must be considered.

Issue 8: What are the appropriate assumptions and inputs for the following items to be used in the forward-looking non-recurring UNE cost studies?

(a) network design;
(b) OSS design;
(c) labor rates;
(d) required activities;
(e) mix of manual versus electronic activities;
(f) other.

Position: The forward-looking, non-recurring UNE cost studies should reflect as closely as possible the actual costs incurred in performing the required activity, including the amount of time required by an efficient provider to complete the activity and the cost to perform that activity, using most current loaded labor rates. (McMahon)

Issue 9: (a) What are the appropriate recurring rates (averaged or deaveraged as the case may be) and non-recurring charges for each of the following UNEs?

(1) 2-wire voice grade loop;
(2) 4-wire analog loop;
(3) 2-wire ISDN/IDSL loop;
(4) 2-wire xDSL-capable loop;
(5) 4-wire xDSL-capable loop;
(6) 4-wire 56 kbps loop;
(7) 4-wire 64 kbps loop;
(8) DS-1 loop;
(9) high capacity loops (DS3 and above);

(10) **dark fiber loop;**
(11) **subloop elements (to the extent required by the Commission in Issue 4);**
(12) **network interface devices;**
(13) **circuit switching (where required);**
(14) **packet switching (where required);**
(15) **shared interoffice transmission;**
(16) **dedicated interoffice transmission;**
(17) **dark fiber interoffice facilities;**
(18) **signaling networks and call-related databases;**
(19) **OS/DA (where required).**

Position: No position at this time.

Issue 10: **What is the appropriate rate, if any, for customized routing?**

Position: No position at this time.

Issue 11: **What is the appropriate rate, if any, for line conditioning, and in what situations should the rate apply?**

Position: The appropriate rate for line conditioning should reflect the forward-looking economic costs of an efficient provider using, to the greatest extent possible, all available mechanized and automated systems, including engineering records, technician dispatch and testing. The rate should apply only when a CLEC-requested UNE requires conditioning to meet transmission requirements, e.g., an xDSL-capable loop. (McMahon)

Issue 12: **Without deciding the situations in which such combinations are required, what are the appropriate recurring and non-recurring rates for the following UNE combinations:**

(a) "UNE platform" consisting of: loop (all), local (including packet, where required) switching (with signaling), and dedicated and shared transport (through and including local termination);

Position: No position at this time.

(b) "extended links," consisting of:

(1) loop, DS0/1 multiplexing, DS1 interoffice transport;
(2) DS1 loop, DS1 interoffice transport;
(3) DS1 loop, DS1/3 multiplexing, DS3 interoffice transport.

Position: No position at this time.

H. STIPULATIONS: Sprint is not aware of any pending stipulations at this time.

I. PENDING MOTIONS: Sprint is not aware of any pending motions at this time.

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

Respectfully submitted this 21st day of August, 2000.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by e-mail transmission, U. S. Mail, or hand delivery (*) this 21st day of August, 2000, to the following:

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