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RECORDS AND
REPORTING

August 25, 2000

VIA 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:

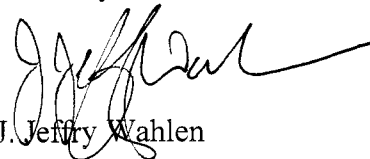
Enclosed for filing in the above docket are the original and fifteen (15) copies of ALLTEL's Revised Phase II Prehearing Statement.

We are also submitting the Revised 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

APP	_____
CAF	_____
CMP	<u>5</u> <i>Wahlen</i>
COM	5 Enclosures
CTR	_____
ECR	_____
LEG	2 cc: _____
OPC	_____
PAI	_____
RGO	_____
SEC	_____
SER	_____
OTH	_____

All Parties of Record

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into
pricing of unbundled network
elements

DOCKET NO. 990649-TP
FILED: 8/25/00

ALLTEL'S REVISED PHASE II PREHEARING STATEMENT

ALLTEL Communications, Inc. ("ALLTEL" or the "Company"), pursuant to Order No. PSC-00-0540-TP, submits the following Phase II Prehearing Statement.

A. WITNESS: ALLTEL did not prefile testimony for Phase II of this proceeding, but reserves the right to participate in the hearing by cross-examination.

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

C. BASIC POSITION: Throughout this proceeding, the Commission should follow the following basic principles: (1) only ILECs with approved agreements to provide UNEs should be required to deaverage UNEs; (2) for those ILECs, UNEs should be deaveraged where significant cost differences exist into at least three zones; (3) where there are no significant cost differences, no geographic deaveraging should be required; (4) forward looking costs should be used to determine whether significant cost differences exist and (5) 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).

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 factors which the Commission should consider are the cost Standards as set forth in 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 and the FCC's rules. Cost differences are the only meaningful way to deaverage UNEs.

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 where measurable cost differences exist into at least three zones. The zones to be established are at the wire center level and are determined by company, not by state. In other words, each incumbent LEC in a state will establish at least three UNE price zones based on cost differences.

(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 rates for all loops of every type should be deaveraged. The same zones should exist for all loops i.e. 2 wire loops for a given wire center should be grouped in the same wire center zone as 4 wire loops.

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

Position: xDSL capable loops are copper loops that are less than 18,000 feet in length and are not conditioned. They do not contained any devices, such as repeaters, load coils and/or bridge taps, which impede the xDSL frequency.

- (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: The cost methodology for a xDSL-capable loop should be the same as other loops, less conditioning.

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

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

Position: No position.

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.

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: No position.

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: Non-recurring charges should not be significantly different based on changes in costing methodology. Nor should reductions in recurring charges result in increases in non-recurring charges.

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

Position: No position.

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

Position: No position.

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);
- (b) “extended links,” consisting of:
 - (1) loop, DSO/1 multiplexing, DS1 interoffice transport;
 - (2) DS1 loop, DS1 interoffice transport;
 - (3) DS1 loop, DS1/3 multiplexing, DS3 interoffice transport.

Position: No position.

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

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

J. COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE:

ALLTEL does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

Respectfully submitted this 25th day of August, 2000.



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ATTORNEYS FOR ALLTEL
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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 25th day of August, 2000, to the following:

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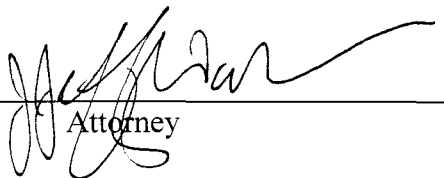
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