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January 5, 2001

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

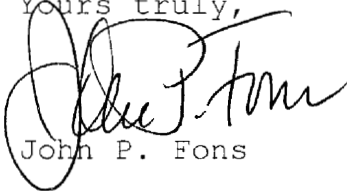
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Sprint-Florida's Petition to Amend Order Granting Motions to Bifurcate and Suspend Proceedings.

Also enclosed is a diskette containing the above Petition originally typed in Microsoft Word 97 format, which has been saved in Rich Text format for use with Word Perfect.

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

Enclosures
cc: All parties of record

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DOCUMENT NUMBER-DATE

00230 JAN-50

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into
pricing of unbundled network
elements

DOCKET NO. 990649-TP
FILED: January 5, 2001

**SPRINT-FLORIDA'S PETITION TO AMEND ORDER GRANTING
MOTIONS TO BIFURCATE AND SUSPEND PROCEEDINGS**

Sprint-Florida, Inc. ("Sprint-Florida") petitions the Commission to amend its Order Granting Motions to Bifurcate and Suspend Proceedings (Order No. PSC-00-1486-PCO-TP), to the extent that Order requires Sprint-Florida to submit cost studies and direct testimony by April 2, 2001. Sprint-Florida requests herein that the date for filing its cost studies and direct testimony "which comport with the state of the law at that time" be extended to July 2, 2001. In support of its petition and requested extension of time, Sprint-Florida states as follows:

1. On August 2, 2000, in response to the Eighth Circuit Court of Appeals' vacation of the FCC's UNE rules, including Rule 51.505(b)(1), (use of a hypothetical network),¹ Sprint-Florida filed its Motion to Bifurcate Proceeding, For a Continuance and Leave to Withdraw Cost Studies and Certain Testimony because Sprint-Florida's Cost Study is dependent upon the vacated FCC

¹ Iowa Utilities Bd. v. F.C.C., 219 F.3rd 744 (8th Cir. July 18, 2000).

TELRIC pricing rules.² The Prehearing Officer, on August 18, 2000, granted Sprint-Florida's Motion, but required Sprint-Florida to submit its cost studies and direct testimony by April 2, 2001, "which comport to the state of the law at that time." Order, page 9. Subsequent to the Prehearing Officer's Order, two significant events occurred which make the April 2, 2001, filing date unrealistic and unworkable.

2. First, the Eighth Circuit granted a stay of its decision pending review by the United States Supreme Court. Currently, there are four petitions for review pending before the U.S. Supreme Court, but the Court has not yet agreed to review the Eighth Circuit's decision. Consequently, it is impossible to predict what the state of the federal law will be on April 2, 2001. More importantly, because of the lead time necessary to complete the requisite cost studies, it is essential that the "state of the law" be known several months prior to April 2, 2001, in order to structure the cost studies to be compliant with the "state of the law." At this time, all other things remaining the same, Sprint-Florida would be required to commence preparing a TELRIC-based study, including the use of a hypothetical network, by January 1, 2001, in order to meet the April 2, 2001, filing date. Yet, between now and April 2, 2001, the United States Supreme Court could grant certiorari, schedule oral argument and

² Id. at 750.

issue a decision, which could impact the use of the FCC's TELRIC pricing rules.

3. Until the United States Supreme Court rules definitively on the use of the FCC's TELRIC pricing rules, any cost study, whether compliant with those rules or not, runs the risk of being wrong. In fact, Sprint-Florida, the Commission and the industry will expend valuable time and resources in addressing revised UNE prices for Sprint-Florida, which time and resources could very well be wasted. Nevertheless, Sprint-Florida, at this time, if all other things were to remain the same, would have no choice but to run that risk and prepare a TELRIC-compliant cost study.

4. Second, not all other things remain the same. By virtue of the revised cost studies and testimony presented by BellSouth in the bifurcated proceeding, there are a multitude of unresolved issues, which transcend the TELRIC pricing issue. The resolution of these issues could significantly impact the Sprint-Florida cost studies.³ Thus, these issues must be decided before Sprint-Florida can even begin to design and develop its cost studies. Unfortunately, the Commission is not scheduled to even consider these issues until March 12, 2001, with an order to issue on April

³ Whether or not the Commission affirmatively determines that its decision in the BellSouth portion of the proceeding is binding on Sprint-Florida, the practical effect is that the cost methodology authorized or imposed by the Commission for BellSouth must be available to Sprint-Florida. Otherwise, the marketplace will have inconsistent pricing signals with UNE purchasers paying too much in one service area and too little in another for the same network element.

2, 2001, the very date Sprint-Florida is required to file its cost studies and testimony "which comport with the state of the law at that time."

5. The issues raised in the BellSouth UNE proceeding, and yet to be decided by the Commission, are significant and will impact the Sprint-Florida cost study. As noted previously, the Commission's decision on these issues must necessarily also be available to Sprint-Florida. For example, in the at-issue BellSouth cost study, BellSouth has proposed to deaverage loop costs using costs aggregated on a rate-group basis rather than on a common-cost-characteristic basis. If the Commission were to accept BellSouth's deaveraging proposal - which was objected to by all the intervenor parties - the level of geographic cost study detail to be undertaken by Sprint-Florida could be minimized since geographic-specific cost differences would be meaningless under the rate grouping approach.

6. Another, and even more significant example of an issue which, if decided in BellSouth's favor, would require a major overhaul of Sprint-Florida's cost study methodology is BellSouth's use of loadings, in-plant factors and assumptions, including inflation. Sprint-Florida's UNE cost studies have traditionally rejected using loadings, in-plant factors and assumptions, including inflation. Instead, Sprint-Florida's cost studies have been based upon geographic-specific actual costs. If the

Commission were to adopt BellSouth's cost study loadings, in-plant factors and assumptions, including inflation - all of which Sprint and other intervenors have opposed, Sprint-Florida would have to revise its cost study methodology accordingly.

7. Finally, and probably the most significant issue of all raised by the BellSouth cost study, is the appropriate methodology and assumptions to be used in developing UNE-related nonrecurring prices and DSL-related loop conditioning charges. The rates proposed by BellSouth are multiple times higher than those which Sprint-Florida demonstrated are appropriate. These differences are the result of different cost methodologies. The cost study differences between Sprint-Florida and BellSouth regarding this issue are dramatic, and until this issue is resolved, Sprint-Florida cannot begin to prepare its NRC cost studies. For example, BellSouth's cost study assumes a large portion of its ordering, engineering and provisioning processes are manual - and thus more costly - while Sprint-Florida's cost study assumes most of such processing is automated - and thus less costly. Sprint-Florida should not be required to assume processes or use cost study methodologies which BellSouth is not required to use in its cost studies.

8. As the foregoing amply demonstrates, Sprint-Florida cannot practically or realistically comply with the Prehearing Officer's Order that Sprint-Florida file its cost studies and

testimony by April 2, 2001. Only by guesswork, speculation and pure luck could Sprint-Florida achieve cost studies on that date "which comport with the state of the law at that time." This is certainly not what the Commission or any of the other parties contemplated or should require.

9. Assuming that the Commission's Order on the BellSouth UNE prices in fact issues on April 2, 2001, Sprint-Florida would be able to file its cost studies and direct testimony, which at a minimum "comport with the state of the law" in Florida, by July 2, 2001. Ninety days will be required to review the Commission's Order, assuming no petitions for reconsideration, and complete the cost studies and direct testimony. In Sprint's view, this is a reasonable amount of time.

10. Additionally, Sprint-Florida is willing to extend its commitment to continue honoring the deaveraged UNE prices set forth in its effective Florida tariff until the UNE prices established for Sprint-Florida in this proceeding become effective.

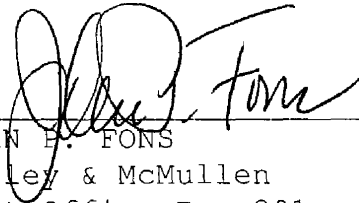
WHEREFORE, Sprint-Florida requests that the Commission grant Sprint-Florida's Petition and grant its request to extend the date for filing its cost studies and direct testimony to July 2, 2001.

DATED this 5th day of January, 2001.

Respectfully submitted,

CHARLES J. REHWINKEL
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and

A handwritten signature in black ink, appearing to read "John P. Fons", is written over a horizontal line.

JOHN P. FONS
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ATTORNEYS FOR SPRINT-FLORIDA

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 5th day of January, 2001, to the following:

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