FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

SEPTEMBER 6, 2002

RE: Docket No. 990649A-TP - Investigation into pricing of unbundled network elements (BellSouth track). (Deferred from June 13, 2002 Special Commission Conference; revised recommendation filed.)

ISSUE 1(a): Are the loop cost studies submitted in BellSouth's 120-day filing compliant with Order No. PSC-01-1181-FOF-TP?
RECOMMENDATION: Yes. On balance, staff believes that with the adjustments recommended in this issue, the loop cost study submitted in BellSouth's 120-day filing complies with Order No. PSC-01-1181-FOF-TP.

APPROVED

COMMISSIONERS ASSIGNED: Jaber, Deason, Palecki

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING
(signature)	
(signature)	
(signature)	

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

09439 SEP-6 ≌

FPSC-COMMISSION CLERK

PSC/CCA033-C (Rev 12/01)

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ISSUE 1(b): Should BellSouth's loop rates or rate structure previously
approved in Order No. PSC-01-2051-FOF-TP be modified? If so, to what
extent, if any, should the rates or rate structure be modified?
RECOMMENDATION: Yes. Staff recommends adoption of the rates contained in
Appendix A of staff's August 26, 2002 memorandum, which reflect
modifications to the 120-day filing outlined in Issue 1(a).

APPROVED

ISSUE 2(a): Are the ADUF and ODUF cost studies submitted in BellSouth's
120-day compliance filing appropriate?
ISSUE 2(b): Should BellSouth's ADUF and ODUF rates or rate structure
previously approved in Order No. PSC-01-2051-FOF-TP be modified? If so, to
what extent, if any, should the rates or rate structure be modified?
RECOMMENDATION: BellSouth should be allowed to recover the cost of
providing DUF services through specified rates. Accordingly, it was
appropriate for BellSouth to file a cost study in support of those rates.
Staff recommends that the DUF cost studies submitted in BellSouth's 120-day
compliance filing are appropriate with certain adjustments. First, the
cost study should be adjusted to remove costs for software development
which have already been amortized. Second, the cost study should be
adjusted to reflect BellSouth's actual growth experience in DUF messages.
The existing DUF rates should be modified to reflect these adjustments.
The resulting rates are shown in Table 2-4 of staff's August 26, 2002
memorandum.

APPROVED

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ISSUE 3(a): Is the UCL-ND loop cost study submitted in BellSouth's 120-day filing compliant with Order No. PSC-01-1181-FOF-TP?
ISSUE 3(b): What modifications, if any, are appropriate and what should the rates be?
RECOMMENDATION: The UCL-ND cost study submitted by BellSouth appears to comply with the Commission's directives in Order No. PSC-01-1181-FOF-TP. If the Commission concludes in Issue 1(b) that changes in BellSouth's loop rates and rate structure should be made based on the bottoms-up study, the rates for the various UCL-ND elements are those shown in Appendix A of staff's August 26, 2002 memorandum. If the Commission concludes in Issue 1 (b) that BellSouth's loop rates and rate structure should not be modified, the rates for the various UCL-ND elements should be those found in Table 3-1 of staff's memorandum, which use loading factors.

APPROVED

ISSUE 4(a): What revisions, if any, should be made to NIDs in both the BSTLM and the stand-alone NID cost study?
ISSUE 4(b): To what extent, if any, should the rates or rate structure be modified?
RECOMMENDATION: Staff recommends that the stand-alone NID rates be adjusted to include exempt materials. The appropriate rates for the stand-alone NID are those found in Table 4-1 of staff's August 26, 2002 memorandum. No adjustment should be made to the cost considered in the BSTLM for the NID provisioned with the loop. The appropriate rates for the NID provisioned with the loop are those rates ordered by the Commission in Order No. PSC-01-2051-FOF-TP.

APPROVED

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ISSUE 5(a): What is a "hybrid copper/fiber xDSL-capable loop" offering, and is it technically feasible for BellSouth to provide it?
RECOMMENDATION: A "hybrid copper/fiber xDSL-capable loop" is a configuration that allows an ALEC to provide xDSL services to its customers that are served off of a BellSouth digital loop carrier remote terminal (DLC RT). Such a configuration is technically feasible and consists of, at a minimum, copper loop facilities between an end user and the RT, a Digital Subscriber Line Access Multiplexer (DSLAM) located at the RT, and feeder facilities between the RT and the central office.

APPROVED

ISSUE 5(b): Is BellSouth's cost study contained in the 120-day compliance filing for the "hybrid copper/fiber xDSL-capable loop" offering appropriate?
RECOMMENDATION: Yes. However, staff recommends that BellSouth not be required to unbundle either DSLAMs located in remote terminals, or packet switches located in its central offices.

APPROVED

ISSUE 5(c): What should the rate structure and rates be?
RECOMMENDATION: If staff's recommendation in Issue 5(b) is approved, this issue becomes moot, as rates need not be established for a hybrid copper/fiber xDSL-capable loop. If staff's recommendation in Issue 5(b) is denied in part and the Commission orders BellSouth to unbundle its DSLAMs located in remote terminals, and BellSouth's "bottoms-up" loop studies are used to set rates, then BellSouth's "bottoms-up" cost study should be the basis for the rates and rate design, subject to any adjustments to the loop studies approved in Issue 1(a). If staff's recommendation in Issue 5(b) is denied and the Commission orders BellSouth to unbundle its DSLAMs located

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in remote terminals and packet switches located in central offices, and BellSouth's "bottoms-up" loop studies are used to set rates, then BellSouth should be required to refile its "bottoms-up" cost studies with the following modifications: (1) determine the cost of sharing subloop feeder from the RT to the central office, instead of requiring an ALEC to obtain a dedicated DS1 subloop feeder; (2) determine the cost of providing access to a DSLAM at a port at a time; and (3) determine the cost of using a BellSouth packet switch at the central office to break out an ALEC's packets and deliver them to the ALEC's collocation facility.

If staff's recommendation in Issue 5(b) is denied in part and the Commission orders BellSouth to unbundle its DSLAMs located in remote terminals, and BellSouth's "bottoms-up" loop studies are not used to set rates, then: (1) the subloop distribution rate should be that rate contained in Order No. PSC-01-2051-FOF-TP; and (2) BellSouth should refile its DSLAM cost study and its cost study for a fiber-only DS1 subloop feeder to comport with the "tops-down" approach accepted in Order No. PSC-01-1181-FOF-TP. If staff's recommendation in Issue 5(b) is denied, and the Commission orders BellSouth to unbundle its DSLAMs located in remote terminals and packet switches located in central offices, and BellSouth's "bottoms-up" loop studies are not used to set rates, then BellSouth should be required to refile its cost studies based on the "tops-down" approach accepted in Order No. PSC-01-1181-FOF-TP with the following modifications: (1) determine the cost of sharing subloop feeder from the RT to the central office, instead of requiring an ALEC to obtain a dedicated DS1 subloop feeder; (2) determine the cost of providing access to a DSLAM a port at a time; and (3) determine the cost of using a BellSouth packet switch at the central office to break out an ALEC's packets and deliver them to the ALEC's collocation facility.

MOOT

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ISSUE 6: In the 120-day filing, has BellSouth accounted for the impact of inflation consistent with Order No. PSC-01-2051-FOF-TP?
RECOMMENDATION: If the Commission concludes in Issue 1(b) that changes to BellSouth's loop rates and rate structure should be made based on the "bottoms-up" study, a material-only inflation based on BellSouth's 1998 inflation forecast should be applied to the material investments (Table 6-1 of staff's August 26, 2002 memorandum). The engineering factors also should be adjusted to reflect projected inflationary impacts. However, if the Commission concludes in Issue 1(b) that BellSouth's loop rates and rate structure should not be modified, the inflation rates used by BellSouth in its original filing remain appropriate. Therefore, any issue regarding inflation in this proceeding becomes moot.

APPROVED

ISSUE 7: Apart from Issues 1-6, is BellSouth's 120-Day filing consistent with the Orders in this docket?
RECOMMENDATION: Yes. Apart from Issues 1-6, BellSouth's 120-Day filing is consistent with the Commission's Orders in this docket.

APPROVED

ISSUE 8: Should this Docket be closed?
RECOMMENDATION: Yes. If the Commission approves staff's recommendations in Issues 1-7, this track of this Docket may be closed (Docket No. 990649A-TP) after the time for filing an appeal has expired.

MODIFIED - *Approved with the modification that the approved rates shall become effective when existing interconnection agreements are amended to incorporate the approved rates and those agreements become effective.*