FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

OCTOBER 14, 2002

RE: Docket No. 990649B-TP - Investigation into pricing of unbundled network elements (Sprint/Verizon track).

ISSUE 1: What factors should the Commission consider in establishing rates and charges for UNEs (including deaveraged UNEs and UNE combinations)?
RECOMMENDATION: UNE rates should be set using 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 that affect those rules and orders.

DEFERRED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE
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ISSUE 2(a): What is the appropriate methodology to deaverage UNEs and what is the appropriate rate structure for deaveraged UNEs?
RECOMMENDATION: Staff recommends that Alternative 1, the four-zone deaveraging proposal discussed in the analysis portion of staff's October 2, 2002 memorandum, modified as necessary to acknowledge use of Commission-ordered loop costs, be adopted. Staff's recommended assignment of wire centers to rate zones is shown in Appendix B.

ISSUE 2(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).

RECOMMENDATION: Staff recommends that the recurring costs of all varieties of loops and subloops below DS3, and combinations containing such loops, should be deaveraged.

ISSUE 3(a): What are xDSL-capable loops?
ISSUE 3(b): Should a cost study for xDSL-capable loops make distinctions based on loop length and/or the particular DSL technology to be deployed?
RECOMMENDATION: For the purposes of this proceeding, xDSL-capable loops are all copper loops that do not contain any impediments such as repeaters, load coils, or excessive bridged tap. Moreover, while it may be reasonable for loop prices to vary by loop length, it is not necessary that a cost study for copper-based xDSL-capable loops make distinctions based on loop length or the particular DSL technology an ALEC intends to put on the loop.

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ISSUE 4(a): Which subloop elements, if any, should be unbundled in this proceeding, and how should prices be set?
RECOMMENDATION: Staff recommends that Sprint-Florida, Incorporated (Sprint) unbundle feeder and distribution subloop elements. Sprint should also provide any other technically feasible subloop elements requested by ALECs on an individual case basis.

ISSUE 4(b): How should access to such subloop elements be provided, and how should prices be set?
RECOMMENDATION: Staff recommends that Sprint should be required to provide access to subloop elements at any technically feasible point. Due to the fact that Sprint does not have any experience in providing access to subloops, and does not propose any rates for access to subloop elements, prices for access to subloop elements should be on an individual case basis. Staff also recommends that these prices be TELRIC-based and be filed with this Commission in the appropriate interconnection agreements or amendments to such agreements.

ISSUE 5: For which signaling networks and call-related databases should rates be set?
RECOMMENDATION: The parties agree with Sprint's position on this issue. Therefore, staff recommends that rates should be set for the call-related database items proposed by Sprint.

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ISSUE 6: Under what circumstances, if any, is it appropriate to recover non-recurring costs through recurring rates?
RECOMMENDATION: Staff recommends that the inclusion of non-recurring costs in recurring rates should be considered where the resulting level of nonrecurring charges would constitute a barrier to entry.

ISSUE 7(a): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(a) Network design (including customer location assumptions).

RECOMMENDATION: Staff recommends that the network design reflected in the SLCM be accepted for purposes of establishing recurring UNE rates in this proceeding, subject to staff's adjustments in other issues.

ISSUE 7(b): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(b) Depreciation.

RECOMMENDATION: The appropriate lives and net salvage values to be used in the development of Sprint's forward-looking recurring unbundled network element (UNE) cost studies are those proposed by Sprint as shown on Table 7(b)-1 of staff's October 2, 2002 memorandum.

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ISSUE 7(c): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(c) Cost of capital.

RECOMMENDATION: For Sprint, the appropriate cost of capital is 9.86% based on a cost rate for common equity of 11.49%, a debt cost rate of 7.43%, and a capital structure consisting of 60% equity and 40% debt.

ISSUE 7(d): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(d) Tax rates.

RECOMMENDATION: The appropriate inputs for Florida-specific tax rates should be as follows: a combined (composite) federal and state income tax rate of 38.58%, an ad valorem tax rate of 0.72%, and a Regulatory Assessment Fee rate of 0.15%.

ISSUE 7(e): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(e) Structure sharing.

RECOMMENDATION: The appropriate assumptions and inputs for structure sharing should be 90 percent for buried and underground feeder and distribution cables, and 31 percent for poles as proposed by Sprint.

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ISSUE 7(f): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(f) Structure costs.

RECOMMENDATION: Staff believes the assumptions and inputs for structure costs proposed by Sprint are appropriate and recommends that they be used in conjunction with staff's recommended changes in all other applicable issues.

ISSUE 7(g): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(g) Fill factors.

RECOMMENDATION: The appropriate assumptions and inputs for fill factors in the forward-looking UNE cost studies should be those fills filed by Sprint.

ISSUE 7(h): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(h) Manholes.

RECOMMENDATION: Staff believes the assumptions and inputs for manholes proposed by Sprint are appropriate and recommends that they be used in conjunction with staff's recommended changes in all other applicable issues.

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

(i) Fiber cable (material and placement costs);
(j) copper cable (material and placement costs).

RECOMMENDATION: The appropriate assumptions and inputs for fiber and copper cable material and placement costs to be used in the forward-looking recurring cost studies considered in this proceeding are those proposed by Sprint. Additionally, these assumptions and inputs should incorporate recommended adjustments in all other applicable issues.

ISSUE 7(k): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(k) Drops.

RECOMMENDATION: Staff recommends that the appropriate assumptions and inputs to be used in the forward-looking recurring UNE cost studies for drops are those proposed by Sprint.

ISSUE 7(l): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(l) Network interface devices.

RECOMMENDATION: Staff recommends that the appropriate assumptions and inputs to be used in the forward-looking recurring UNE cost studies for network interface devices (NIDs) are those proposed by Sprint.

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ISSUE 7(m): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(m) Digital loop carrier costs.

RECOMMENDATION: Staff recommends the appropriate assumptions and inputs to be used in the forward-looking recurring UNE cost studies for digital loop carrier costs are those proposed by Sprint.

ISSUE 7(n): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(n) Terminal costs.

RECOMMENDATION: Staff believes the assumptions and inputs for terminal costs proposed by Sprint are appropriate and recommends that they be used in conjunction with staff's recommended changes in other applicable issues.

ISSUE 7(o): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(o) Switching costs and associated variables.

RECOMMENDATION: The appropriate assumptions and inputs for switching costs and associated variables to be used in the forward-looking recurring UNE cost studies are those proposed by Sprint. Sprint's assumptions and inputs are forward-looking and indicative of switching that Sprint can and would use, both currently and prospectively. In addition, this recommendation should incorporate staff's recommended changes in all other applicable issues.

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ISSUE 7(p): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(p) Traffic data.

RECOMMENDATION: The appropriate assumptions and inputs are those recommended by Sprint.

ISSUE 7(q): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(q) Signaling system costs.

RECOMMENDATION: Staff recommends that Sprint's proposed SS7 rates and rate structure be accepted, subject to changes that result from changes to specific inputs that are addressed in other issues.

ISSUE 7(r): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(r) Transport system costs and associated variables.

RECOMMENDATION: Staff recommends that Sprint's assumptions and inputs for transport system costs and associated variables be accepted for purposes of establishing recurring UNE rates in this proceeding, subject to staff's adjustments in other issues.

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ISSUE 7(s): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(s) Loadings.

RECOMMENDATION: Staff recommends that Sprint's loading factors be accepted for purposes of establishing recurring UNE rates in this proceeding, subject to staff's adjustments in other issues.

ISSUE 7(t): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(t) Expenses.

RECOMMENDATION: Staff recommends that Sprint's expense inputs be accepted for purposes of this proceeding.

ISSUE 7(u): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(u) Common costs.

RECOMMENDATION: Staff recommends that Sprint's expense inputs be accepted for purposes of this proceeding.

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ISSUE 7(v): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking recurring UNE cost studies?

(v) Other.

RECOMMENDATION: All matters raised by the parties have been addressed in other issues. Accordingly, no action is needed with regard to this issue.

ISSUE 8(a), (b), and (e): 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;
(e) mix of manual versus electronic activities.

RECOMMENDATION: The appropriate assumptions and inputs to be used in the forward-looking non-recurring UNE studies for determining network design, OSS design, and the mix of manual versus electronic activities are those set forth by Sprint. In addition, these assumptions and inputs should be tempered by considerations of what is reasonably achievable.

ISSUE 8(c): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking non-recurring UNE cost studies?

(c) Labor rates.

RECOMMENDATION: The appropriate assumptions and inputs for labor rates to be used in the forward-looking non-recurring UNE cost studies should be the labor rates proposed by Sprint.

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ISSUE 8(d): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking non-recurring UNE cost studies?

(d) Required activities.

RECOMMENDATION: The appropriate assumptions and inputs for the required activities included in Sprint's Non-Recurring Cost (NRC) study are those recommended by Sprint.

ISSUE 8(f): What are the appropriate assumptions and inputs for the following item to be used in the forward-looking non-recurring UNE cost studies?

(f) Other.

RECOMMENDATION: All matters raised by the parties have been addressed in other issues. Accordingly, no action is needed with regard to this issue.

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/DSL 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);

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(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).

RECOMMENDATION: Staff's recommended recurring and non-recurring rates are contained in Appendix A of its October 2, 2002 memorandum.

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?

RECOMMENDATION: No. There are no other elements or combinations of elements that the Commission should require ILECs to unbundle at this time.

ISSUE 10: What is the appropriate rate, if any, for customized routing?
RECOMMENDATION: Staff believes that the customized routing rates proposed by Sprint are appropriate.

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ISSUE 11(a): What is the appropriate rate, if any, for line conditioning, and in what situations should the rate apply?
RECOMMENDATION: The appropriate rates for line conditioning are those recommended by staff in Appendix A of its October 2, 2002 memorandum.

ISSUE 11(b): What is the appropriate rate, if any, for loop qualification information, and in what situations should the rate apply?
RECOMMENDATION: Staff recommends that the Commission require Sprint to implement an electronic loop qualification offering. Because the record lacks information on how significant an undertaking this may be, staff suggests that Sprint be required to report within 60 days of the order in this docket becoming final, when and how it will have an electronic loop qualification offering in place. Until an electronic interface is in place, those ALECs that require loop qualification information should not be subject to a manual loop make-up charge of $37.55; rather, the ALECs should be charged an interim rate of $5.90.

Once comparable access is provided, the interim rate of $5.90 should be reevaluated and adjusted accordingly. Furthermore, once an electronic loop qualification process is in place, the ALEC community should be provided with the option of obtaining the information manually or electronically. At that time, the rate for the manual loop qualification process should be that proposed by Sprint in this proceeding.

ISSUE 12(a) and (b): 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)?

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(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?

RECOMMENDATION: The appropriate recurring and nonrecurring rates for UNE combinations are those recommended by staff in Appendix A of its October 2, 2002 memorandum.

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

RECOMMENDATION: Staff recommends that recurring and non-recurring rates and charges should take effect when existing interconnection agreements are amended to incorporate the approved rates, and the amended agreements are deemed approved by the Commission. For new interconnection agreements, the rates shall become effective when the agreements are deemed approved by the Commiss