

ORIGINAL



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October 2, 2003

BY OVERNIGHT MAIL

Ms. Blanca Bayó, Director
The Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket Nos. 981834-TP and 990321-TP
AT&T's Claim for Confidential Treatment
AT&T's Response to Staff's 7th Set of Interrogatories

Dear Ms. Bayó:

AT&T Communications of the Southern States, LLC pursuant to Section 364.183(1), Florida Statutes, hereby claims that certain information provided in AT&T's Response to Staff's 7th Set of Interrogatories contains confidential and proprietary business information that should be held exempt from public disclosure. Pursuant to Rule 25-22.006(5), Florida Administrative Code, in the attached envelope is one copy of AT&T's Response to Staff's 7th Set of Interrogatories with the confidential information highlighted. Also included are two redacted copies. A redacted copy has been served on the Staff.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to Lisa Riley in the enclosed stamped envelope.

Thank you for your assistance with this filing.

Sincerely yours,

Tracy Hatch/las
Tracy W. Hatch

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL TWH/las
OPC _____ Enclosure
MMS _____ cc: Parties of Record
SEC
OTH *Forward* *cc: conit records*
attached responses
to GCL

DOCUMENT NUMBER-DATE

09587 OCT-3 8

FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 981834-TP

In re: Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

DOCKET NO. 990321-TP
October 2, 2003

**AT&T's RESPONSES TO STAFF'S SEVENTH SET OF INTERROGATORIES TO
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.
(NOS. 112 - 117)**

AT&T Communications of the Southern States, LLC ("AT&T") pursuant to Rule 1.340, Florida Rules of Civil Procedure and Order No. PSC-02-1513-PCO-TP, issued in this docket on November 4, 2002, hereby files its response to Staff's Seventh Set of Interrogatories.

SUBMITTED this 2nd day of October, 2003.

Tracy Hatch, Esq.

TRACY W. HATCH, ESQ.

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Attorney for AT&T Communications of
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DOCUMENT NUMBER DATE

09587 OCT-3 8

FPSC-COMMISSION CLERK

REQUEST: Staff Seventh Set of Interrogatories

DATED: September 12, 2003

Interrogatory 112: Does AT&T currently utilize POT Bays in its current collocation arrangements with BellSouth?

Response: Yes.

REQUEST: Staff Seventh Set of Interrogatories

DATED: September 12, 2003

Interrogatory 113: Referring to your response to Interrogatory 112, provide the number of POT bays AT&T has of the following types:

- a. 2-Wire (BellSouth Element H.1.13)
- b. 4-Wire (BellSouth Element H.1.14)
- c. DS1 (BellSouth Element H.1.15)
- d. DS3 (BellSouth Element H.1.16)
- e. 2-Fiber (BellSouth Element H.1.33)
- f. 4-Fiber (BellSouth Element H.34)

Response: See Confidential Attachment A (filed under seal).

REQUEST: Staff Seventh Set of Interrogatories

DATED: September 12, 2003

Interrogatory 114: Does AT&T plan on utilizing POT Bays in its future collocation arrangements with BellSouth?

Response: AT&T does not intend to use POTS Bays provided by the ILEC in future collocation arrangements. Instead AT&T will utilize DSX cross connect panels in its own internal cages.

REQUEST: Staff Seventh Set of Interrogatories

DATED: September 12, 2003

Interrogatory 115: Does AT&T currently have any physical collocation arrangements with BellSouth where it is necessary for AT&T to utilize POT Bays in the arrangement?

Response: Yes. Some POTS Bays that were in place prior to the FCC Order No. 98-147-99-48, dated March 31, 1999.

REQUEST: Staff Seventh Set of Interrogatories

DATED: September 12, 2003

Interrogatory 116: If AT&T's response to Interrogatory 115 is in the affirmative, for each collocation arrangement which utilizes a POT Bay, please provide the rational for there to be a POT Bay in the arrangement.

Response: See Response to Interrogatory No. 115.

REQUEST: Staff Seventh Set of Interrogatories

DATED: September 12, 2003

Interrogatory 117: Referring to AT&T's response to Staff Interrogatory 61(a), why would AT&T typically recommend an investment inflation factor of 1.000 in a TELRIC proceeding?

Response: In other TELRIC cost proceedings, the cost studies filed by the ILECs typically apply inflation factors to investments and labor rates. This is not appropriate in either case. Applying inflation to investments overstates capital costs because the cost of money portion of capital costs already includes the effect of inflation. Applying cost of money factors to investment and applying a separate inflation factor double-counts the impact that inflation has on investment.

Regarding labor rates, if the ILEC had perfect foresight and also applied a forward-looking efficiency factor, then perhaps it would be acceptable to apply a forward-looking wage factor. The ILEC's workers should become more efficient in doing their jobs as time goes by through the introduction of new technology and through the benefit of additional experience. Since the cost studies fail to include an increase in efficiency, neither should the cost studies include an increase in wages or a forward looking adjustment for inflation.

For these reasons AT&T typically recommends an inflation factor of 1.000 in a TELRIC proceeding.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one true and correct copy of AT&T's Response to Staff Seventh Set of Interrogatories (Nos. 112 - 117) have been furnished to Alan Teitzman, Florida Public Service Commission on behalf of AT&T Communications of the Southern States, Inc. by electronic mail and U.S. Mail, and that one true and correct copy of the forgoing has been furnished by electronic mail and U.S. Mail this 2th day of October, 2003, to the following:

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