

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

November 21, 2003

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of the Commission
Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket Nos. 030868-TL

Dear Ms. Bayo:

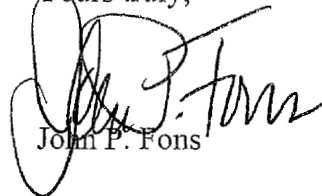
Enclosed for filing in the above-referenced docket are the original and fifteen (15) copies of Sprint-Florida, Inc.'s Prehearing Statement.

Also enclosed is a diskette containing the above Prehearing Statement originally typed in Microsoft Word 2000 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: Certificate of Service List

DOCUMENT NUMBER-D/

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FPSC-COMMISSION CLE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: SPRINT-FLORIDA, INCORPORATED'S
PETITION TO REDUCE INTRASTATE
SWITCHED NETWORK ACCESS RATES TO
INTERSTATE PARITY IN A REVENUE
NEUTRAL MANNER PURSUANT TO
SECTION 364.164(1), FLORIDA STATUTES

DOCKET NO.: 030868-TL
FILED: November 21, 2003

SPRINT-FLORIDA, INC.'S PREHEARING STATEMENT

Sprint-Florida, Inc. ("Sprint-Florida"), pursuant to Second Order Modifying Procedure, Order No. PSC-03-1269-PCO-TL¹, issued November 10, 2003, submits the following Prehearing Statement:

A. WITNESSES: Sprint-Florida will sponsor the Direct and Rebuttal Testimony of Kent W. Dickerson and Dr. Brian K. Stalhr; the Amended Direct Testimony of John M. Felz; the Amended Direct and Rebuttal Testimony of Dr. Kenneth Gordon; and the Rebuttal Testimony of F. Ben Poag.

B. EXHIBITS: Sprint-Florida will sponsor the following exhibits:

- Exhibits BKS-1 and BKS-2
- Exhibits JMF-1 through JMF-3, JMF-4 (Confidential), JMF-5 through JMF-10; Amended Exhibits JMF-11 through JMF-13; Exhibits JMF-14 through JMF-18
- Exhibits KWD-1 and KWD-2 (Confidential); and Exhibits KWD-3 and KWD-4
- Exhibits KG-A and KG-B; and Exhibit KG-I

C. BASIC POSITION: The Florida Tele-Competition Innovation and Infrastructure Enhancement Act ("2003 Act") authorizes the Commission to grant the reduction of intrastate

¹ On November 20, 2003, the petitioning ILECs filed their Joint Motion of Verizon Florida, Inc.; Sprint-Florida, Inc.; and BellSouth Telecommunications, Inc.; for Reconsideration or Clarification of the Prehearing Officer's Second Order Modifying Procedure for Consolidated Dockets to Reflect Additional Docket, Associated Issues, and Filing Dates. ("Joint Motion for Reconsideration or Clarification")

switched network access rates charged by a local exchange telecommunications company in a revenue neutral manner upon the filing of a petition by a local exchange telecommunications company and upon consideration of whether granting the petition will:

1. Remove current support for basic local telecommunications services that prevents the creation of a more attractive, competitive local exchange market for the benefit of residential consumers;
2. Induce enhanced market entry;
3. Require intrastate switched network access rate reductions to parity over a period of not less than 2 years or more than 4 years; and
4. Be revenue neutral as defined in subsection (7) of Section 364.164 within the revenue category defined in subsection (2) of Section 364.164, Florida Statutes.

The 2003 Act creates the mechanism by which residential local competition can become a reality in Florida. The key to that reality is the reduction of the considerable local residential price support being provided by over-priced intrastate switched network access in a revenue neutral manner. As noted in the 2003 Act, the presence of heavily supported, priced-below-cost residential basic local services acts as an obstacle to wide-scale residential local competition. Sprint-Florida's testimony and exhibits demonstrate that the combination of reducing the support of residential local basic service prices and increasing those prices more toward cost will signal potential and currently reluctant competitors that the Florida residential local market can be profitable. It follows, then, that competitors will enter the residential local markets to serve a broader number of residential customers with a variety of innovative technologies, services and pricing choices.

As demonstrated by Sprint-Florida's testimony and exhibits, reducing intrastate switched network access rates to interstate parity in a revenue neutral manner over a two-year period (three annual adjustments) will achieve the goals of the 2003 Act by removing current support for basic

local telecommunications services that prevents the creation of a more attractive, competitive local exchange market for the benefit of residential consumers, and by inducing enhanced market entry.

Additionally, the 2003 Act requires each interexchange carrier to flow-through the benefits of any intrastate switched network access rate reductions to its residential and business customers, including the elimination of any in-state connection fee by July 1, 2006. As demonstrated by the testimony and exhibits of the interexchange carriers, the intrastate switched network access rate reductions resulting from the grant of Sprint-Florida's Petition will be flowed-through to Sprint-Florida's residential customers in accordance with the legislatively mandated return of access reduction benefits to residential and business customers. As noted in the Joint Motion for Reconsideration or Clarification, this legislatively mandated benefit is not one of the criteria to be considered by the Commission in addressing whether to grant Sprint-Florida's Petition. This statutorily-required flow-through benefit is a given in this proceeding.

D-G. ISSUES AND POSITIONS:

Issue 1: Will the ILECs' rebalancing proposals remove the current support for basic local telecommunications services that prevents the creation of a more attractive competitive market for the benefit of residential consumers?

Position: Yes. By granting Sprint-Florida's Petition, the goal of the 2003 Act - to enhance the creation of a competitive residential market - will be achieved. Creating a more attractive competitive market will benefit residential consumers.

Issue 1A: What is a reasonable estimate of the level of support provided for basic local telecommunications services?

Position: The level of support provided for basic local telecommunications services by intrastate switched network access rates in Sprint-Florida's service areas is \$142,073,492 per year, based upon current access minutes of use.

Issue 1B: Does the current level of support prevent the creation of a more attractive competitive local exchange market for the benefit of residential consumers?

Position: Yes. The presence of heavily supported, priced-below-cost residential basic local service acts as an obstacle to the creation of widespread residential local competition. The removal of this obstacle is the centerpiece of the 2003 Act.

Issue 1C: Will the ILECs' rebalancing proposals benefit residential consumers as contemplated by Section 364.164, Florida Statutes? If so, how?

Position: Yes. The creation of a more attractive competitive local exchange market will benefit residential consumers by providing them choices: choice of provider, choice of technology, choice of services and choice of pricing options. These are choices residential consumers are demanding, and these choices are only available in a competitive market.

Issue 2: Will the effects of the ILECs' rebalancing proposals induce enhanced market entry? If so, how?

Position: Yes. Removing a significant portion of support for priced-below-cost residential local service will encourage currently reluctant competitors to enter the residential market on an enhanced, wider-scale basis by providing a more favorable environment to offer expanded consumer choices on a profitable basis.

Issue 3: Will the ILECs' rebalancing proposals reduce intrastate switched network access rates to interstate parity over a period of not less than two years or more that four years?

Position: Yes. Sprint-Florida's Amended Petition, testimony and exhibits demonstrate that rebalancing prices over a two-year period (three annual increments) will provide the marketplace with the appropriate competitive signals and will not result in consumer rate-shock.

Issue 4: Are the ILECs' rebalancing proposals revenue neutral, as defined in Section 364.164(2), Florida Statutes?

Position: Yes. As demonstrated by Sprint-Florida's testimony and exhibits, rebalancing will be accomplished in a revenue neutral manner.

Issue 5: Should the ILECs' rebalancing proposals be granted or denied?

Position: Sprint-Florida's Amended Petition should be granted because Sprint-Florida has satisfactorily met each of the factors the 2003 Act requires to be considered by the Commission.

Issue 6: Which IXCs should be required to file tariffs to flow through BellSouth's, Verizon's, and Sprint-Florida's switched access reductions, if approved, and what should be included in these tariff filings?

Position: No position. Please see Joint Motion for Reconsideration or Clarification.

Issue 7: If the ILEC access rate reductions are approved, should the IXCs be required to flow through the benefits of such reductions, via the tariffs, simultaneously with the approved ILEC access rate reductions?

Position: No position. Please see Joint Motion for Reconsideration or Clarification.

Issue 8: If the IXCs receive any access rate reductions, how long should the IXC revenue reductions remain in place so that the benefits flow through to the residential and business customers: a) for each implemented reduction and b) once the ILECs reach parity?

Position: No position. Please see Joint Motion for Reconsideration or Clarification.

Issue 9: How should the IXC flow-through of the benefits from the ILEC access rate reductions be allocated between residential and business customers?

Position: No position. Please see Joint Motion for Reconsideration or Clarification.

Issue 10: Will all residential and business customers experience a reduction in their long distance bills? If not, which residential and business customers will and will not experience a reduction in their long distance bills?

Position: No position. Please see Joint Motion for Reconsideration or Clarification.

Issue 11: Should these Dockets be closed?

Position: No position at this time.

H. STIPULATIONS: Sprint-Florida is not aware of any pending stipulations at this time.

I. PENDING MOTIONS: Sprint-Florida is aware of the following pending motions:

- Joint Motion of Verizon Florida, Inc.; Sprint-Florida, Inc.; and BellSouth Telecommunications, Inc.; for Reconsideration or Clarification of the Prehearing Officer's Second Order Modifying Procedure for Consolidated Dockets to Reflect Additional Docket, Associated Issues and Filing Dates
- Attorney General's Motion for Summary Final Order
- Various Requests for Confidential Classification

J. COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE: Please see the Joint Motion for Reconsideration or Clarification.

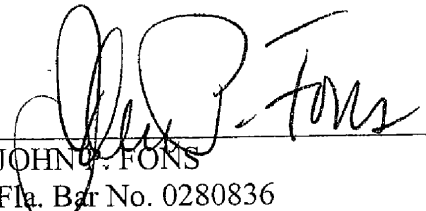
K. STATEMENT OF ANY PENDING DECISION OF THE FCC OR ANY COURT THAT MIGHT IMPACT THE DECISION ON THESE ISSUES:

Sprint-Florida is not aware of any such decisions.

L. ANY OBJECTIONS TO A WITNESSES' QUALIFICATIONS AS AN EXPERT:

Sprint-Florida has no such objections at this time.

RESPECTFULLY SUBMITTED this 21st day of November, 2003.



JOHN P. FONS
Fla. Bar No. 0280836
Ausley & McMullen
P.O. Box 391
Tallahassee, FL 32302
(850) 224-9115

and

SUSAN S. MASTERTON
Fla. Bar No. 0494224
Sprint-Florida, Inc.
P.O. Box 2214
Tallahassee, FL 32316-2214
(850) 599-1560

ATTORNEYS FOR SPRINT-FLORIDA,
INCORPORATED

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail, e-mail or hand delivery (*) this 21st day of November, 2003, to the following:

Beth Keating, Esq. (*)
Felicia Banks, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Charles Beck (*)
Interim Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison St., Rm. 812
Tallahassee, FL 32399-1400

Richard Chapkis, Esq.
Verizon-Florida
P.O. Box 110, FLTC0007
Tampa, FL 33601-0110

Tracy Hatch/Chris McDonald
AT&T Communications
101 N. Monroe St., Suite 700
Tallahassee, FL 32301

Mark Cooper
504 Highgate Terrace
Silver Spring, MD 20904

Donna McNulty, Esq.
MCI WorldCom
1203 Governors Square Blvd.; Suite 201
Tallahassee, FL 32301

Michael A. Gross, Esq.
FCTA
246 E. 6th Ave., Suite 100
Tallahassee, FL 32302

Nancy White, Esq.
c/o Nancy Sims
BellSouth Telecommunications
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

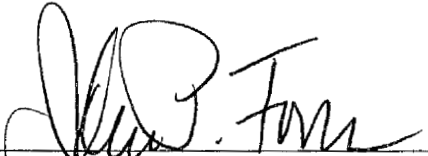
Michael B. Twomey
P. O. Box 5256
Tallahassee, FL 32314-5256

Floyd Self
Messer, Caparello & Self, P.A.
P. O. Box 1876
Tallahassee, FL 32302

John Feehan
Knology, Inc.
1241 O.G. Skinner Drive
West Point, GA 31833

George Meros
Gray, Harris & Robinson, P.A.
P. O. Box 11189
Tallahassee, FL 32302-3189

Jack Shreve
Senior Special Counsel for Consumer Affairs
Office of the Attorney General
PL-01 The Capitol
Tallahassee, FL 32399-1050



Attorney