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Harold McLean  
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Charles J. Beck  
Deputy Public Counsel

January 27, 2004

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

RECEIVED-FPSC  
04 JAN 27 PM 3:12  
COMMISSION  
CLERK

Re: Docket No. 030851-TP

Dear Ms. Bayo:

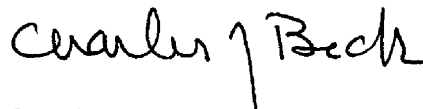
Enclosed for filing in the above-referenced docket are the original and 15 copies of Citizens' Prehearing Statement. A diskette in Word format is also submitted.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

RECEIVED & FILED

Sincerely,

  
FPSC-BUREAU OF RECORDS



Charles J. Beck  
Deputy Public Counsel

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements )  
Arising from Federal Communications ) Docket No. 030851-TP  
Commission's triennial UNE review: ) Filed: January 27, 2004  
Local Circuit Switching for Mass )  
Market Customers. )

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**CITIZENS' PREHEARING STATEMENT**

Pursuant to order no. PSC-03-1265-PCO-TP issued November 7, 2003, the Citizens of Florida (Citizens), by and through Harold McLean, Public Counsel, file this prehearing statement.

**Witnesses**

Ben Johnson, Ph.D. filed rebuttal testimony on behalf of the citizens of Florida. His testimony shows that the geographic market definitions proposed in the direct testimony of BellSouth, Verizon, and Sprint -- including MSAs, CEAs, and UNE rate zones -- are too broad. Dr. Johnson will also file surrebuttal testimony addressing the appropriate definition of a market in this proceeding.

**Exhibits**

The following exhibits are sponsored by Dr. Johnson:

<b>EXHIBIT NAME</b>	<b>EXH. NO.</b>
Qualifications Exhibit	BFJ-1
Map 1: Florida MSAs	BFJ-2
Summary of Parties' Positions	BFJ-3

**Basic Position**

All of the geographic market definitions proposed in the direct testimony of BellSouth, Verizon, and Sprint -- including MSAs, CEAs, and UNE rate zones -- are too broad. These proposals greatly increase the risk of inadvertently reaching a conclusion of non-impairment that is only valid with respect to a portion of the geographic area . The Commission should instead define the relevant market on the basis of a single wire center or small group of wire centers.

The Commission could use revenue per customer, or gross margin per customers, rather than the number of DS0 lines to distinguish between the enterprise and mass market. In addition, the Commission should consider another layer of granularity by considering demand factors that tend to distinguish which customers can be economically served using a CLEC's own switch. Residential and small business

mass market customers have different demand characteristics which may impact the degree to which impairment exists.

### **Issues and Position**

#### **Market Definition (§51.319(d)(2)(i))**

**Issue 1:** For purposes of this proceeding, what are the relevant markets for purposes of evaluating mass market impairment and how are they defined?

**Citizens' Position:** The Commission should define the relevant market on the basis of a single wire center or small group of wire centers. The Commission could use revenue per customer, or gross margin per customers, rather than the number of DS0 lines to distinguish between the enterprise and mass market. In addition, the Commission should consider another layer of granularity by considering demand factors that tend to distinguish which customers can be economically served using a CLEC's own switch. Residential and small business mass market customers have different demand characteristics which may impact the degree to which impairment exists.

**Issue 2:** In defining the relevant geographic areas to include in each of the markets, how should the following factors be taken into consideration and what relative weights should they be assigned:

- (a) the locations of mass market customers actually being served by CLECs;

(b) the variation in factors affecting CLECs' ability to serve each group of customers;  
and

(c) CLECs' ability to target and serve specific markets profitably and efficiently using currently available technologies?

Citizens' Position: No position at this time.

Batch cut process (§51.319(d)(2)(ii))

Issue 3:

(a) Does a batch cut process exist that satisfies the FCC's requirements in the Triennial Review Order? If not, in which markets should the Commission establish a batch cut process?

(b) For those markets where a batch cut process should be established, what specific processes should be employed to perform the batch cut?

(c) For those markets where a batch cut process should be established, what specific processes should be employed to perform the batch cut?

(d) For those markets where a batch cut process should be established, is the ILEC capable of migrating multiple lines that are served using unbundled local circuit switching to CLECs' switches in a timely manner?

(e) For those markets where a batch cut process should be established, should the Commission establish an average completion interval performance metric for the provision of high volumes of loops?

(f) For those markets where a batch cut process should be established, what rates should be established for performing the batch cut processes?

(g) Are there any markets in which a batch hot cut process need not be implemented? If so, for those markets where a batch cut process is not impairing CLECs' ability to serve end users using DS0 loops to serve mass market customers without access to unbundled local circuit switching,

- (i) what volume of unbundled loop migrations can be anticipated if CLECs no longer have access to unbundled local circuit switching;
- (ii) how able is the ILEC to meet anticipated loop migration demand with its existing processes in a timely and efficient manner; and
- (iii) what are the non recurring costs associates with the ILEC's existing hot cut process?

Citizen's Position: No position at this time.

Actual Switch Deployment: Local Switching Triggers (§51/319(d)(2)(iii)(A))

Issue 4:

(a) In which markets are there three or more CLECs not affiliated with each other or the ILEC, including intermodal providers of service comparable in quality to that of the ILEC, serving mass market customers with their own switches?

(b) In which market are there two or more CLECs not affiliated with each other or the ILEC, including intermodal providers of service comparable in quality to that of the ILEC, who have their own switches and are offering wholesale local switching to customers serving DS0 capacity loops in that market?

Citizen's Position: No position at this time.

Potential for Self-Provisioning of Local Switching (§51.319(d)(2)(iii)(B))

Issue 5:

(a) In which markets are there either two wholesale providers or three self-provisioners of local switching not affiliated with each other or the ILEC, serving end users using DS1 or higher capacity loops? Where there are, can these switches be used to serve DS0 capacity loops in an economic fashion?

(b) In which markets are there three or more CLECs not affiliated with each other or the ILEC, including intermodal providers of service comparable in quality to that of the ILEC, who have their own switches and are offering wholesale local switching to customers serving DS0 capacity loops in that market?

(c) In which markets do any of the following potential operational barriers render CLEC entry uneconomic absent access to unbundled local circuit switching:

1. The ILEC's performance in provisioning loops;
2. difficulties in obtaining collocation space due to lack of space or delays in provisioning by the ILEC; or

(d) In which markets do any of the following potential economic barriers render CLEC entry uneconomic absent access to unbundled local circuit switching:

1. the costs of migrating ILEC loops to CLEC's switches; or
2. the costs of backhauling voice circuits to CLECs' switches from the end offices serving the CLECs' end users?

(e) Taking into consideration the factors in (a) through (d), in what markets is it economic for CLECs to self-provision local switching and CLECs are thus not impaired without access to unbundled local circuit switching?

(f) For each market, what is the appropriate cut-off for multiline DS0 customers (where it is economic to serve a multiline customer with a DS1 loop)? That is, taking into account the point at which the increased revenue opportunity at a single location is sufficient to overcome impairment and the point at which multiline end users could be served economically by higher capacity loops and a CLEC's own switching (and thus be considered part of the DS1 enterprise market), what is the maximum number of DS0



loops that a CLEC can serve using unbundled local switching, when serving multiline end users at a single location?

Citizen's position: Setting a high cut-over may exacerbate the risk that the impact of this proceeding will be to reduce competitive options for residential and small business customers. The Commission could use revenue per customer, or gross margin per customers, rather than the number of DS0 lines to distinguish between the enterprise and mass market. In addition, the Commission should consider another layer of granularity by considering demand factors that tend to distinguish which customers can be economically served using a CLEC's own switch. Residential and small business mass market customers have different demand characteristics which may impact the degree to which impairment exists.

Transitional use of unbundled local switching (§52.319(d)(2)(iii)(C))

Issue 6: If the triggers in §52.319(d)(2)(iii)(A) have not been satisfied for a given ILEC market and the economic and operational analysis described in §51.319(d)(2)(iii)(B) resulted in a finding that CLECs are impaired in that market absent access to unbundled local switching, would the CLECs' impairment be cured if unbundled local switching were only made available for a transitional period of 90 days or more? If so, what should be the duration of the transitional period?

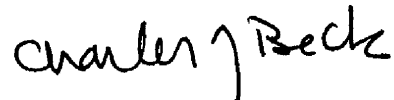
Citizen's Position: No position at this time.

**Pending Motions and Other Matters**

Citizens have no pending motions or other pending matters.

**Requirements of Prehearing Order**

Citizens believe we have complied with all requirements of the Prehearing Order.



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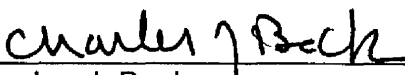
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Attorneys for the Citizens  
of Florida

**DOCKET NO. 030851-TP**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing Citizens' Prehearing Statement has been furnished by U.S. Mail or hand-delivery to the following parties on this 27th day of January, 2004.

  
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