

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Determination of the cost of basic local telecommunications service, pursuant to Section 364.025, Florida Statutes.

DOCKET NO. 980696-TP

FILED: September 10, 1998

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-98-0813-PCO-TP, the Staff of the Florida Public Service Commission files its Prehearing Statement.

- A. All Known Witnesses: Staff does not intend to sponsor a witness at this time.
- B. All Known Exhibits: Staff has not yet identified a tentative list of exhibits which it intends to utilize in this proceeding. Staff will supply a tentative list of such exhibits at or prior to the Prehearing Conference.
- C. Staff's Statement of Basic Position:
None pending discovery.
- D.-G. Staff's Position on the Issues:

ISSUE 1: What is the definition of the basic local telecommunications service referred to in Section 364.025(4)(b), Florida Statutes?

STAFF: No position pending the Hearing.

ISSUE 2: For purposes of determining the cost of basic local telecommunications service appropriate for establishing a permanent universal service mechanism, what is the appropriate cost proxy model to determine the total forward-looking cost of providing basic local telecommunications service pursuant to Section 364.025(4)(b), Florida Statutes?

STAFF: No position pending the Hearing.

ISSUE 3: For purposes of determining the cost of basic local telecommunications service appropriate for establishing a permanent universal service mechanism, should the total forward-looking cost of basic local telecommunications

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMC _____
 CTR _____
 EAG _____
 LEG _____
 LIN 5 _____
 OPC _____
 RCH _____
 SEC 1 _____
 WAS _____
 OTH _____

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FPSC-RECORDS/REPORTING

service pursuant to Section 364.025(4)(b), Florida Statutes, be determined by a cost proxy model on a basis smaller than a wire center? If so, on what basis should it be determined?

STAFF: No position pending the Hearing.

ISSUE 4: For purposes of determining the cost of basic local telecommunications service appropriate for establishing a permanent universal service mechanism, for each of the following categories what input values to the cost proxy model identified in Issue 2 are appropriate for each Florida LEC?

- (a) Depreciation rates
- (b) Cost of money
- (c) Tax rates
- (d) Supporting structures
- (e) Structure sharing factors
- (f) Fill factors
- (g) Manholes
- (h) Fiber cable costs
- (i) Copper cable costs
- (j) Drops
- (k) Network interface devices
- (l) Outside plant mix
- (m) Digital loop carrier costs
- (n) Terminal costs
- (o) Switching costs and associated variables
- (p) Traffic data
- (q) Signaling system costs
- (r) Transport system costs and associated variables
- (s) Expenses
- (t) Other inputs

STAFF: No position pending the Hearing.

ISSUE 5: 'a) For purposes of determining the cost of basic local telecommunications service appropriate for

establishing a permanent universal service mechanism, for which Florida local exchange companies must the cost of basic local telecommunications service be determined using the cost proxy model identified in Issue 2?

- (b) For each of the LECs identified in (a), what cost results from using the input values identified in Issue 5 in the cost proxy model identified in Issue 2?

STAFF: No position pending the Hearing.

ISSUE 6: (a) For purposes of determining the cost of basic local telecommunications service appropriate for establishing a permanent universal service mechanism, should the cost of basic local telecommunications service for each of the LECs that serve fewer than 100,000 access lines be computed using the cost proxy model identified in Issue 2 with the input values identified in Issue 4?

- (b) If yes, for each of the LECs that serve fewer than 100,000 access lines, what cost results from using the input values identified in Issue 4 in the cost proxy model identified in Issue 2?
- (c) If not, for each of the Florida LECs that serve fewer than 100,000 access lines, what approach should be employed to determine the cost of basic local telecommunications service and what is the resulting cost?

STAFF: No position pending the Hearing.

H. Stipulation

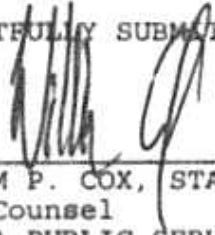
Staff is not aware of any issues that have been stipulated at this time.

I. Pending Motions:

Staff has no pending motions at this time.

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RESPECTFULLY SUBMITTED,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that Staff's Prehearing Statement has been served **VIA U.S. MAIL**, this 10th day of September, 1998, to the following:

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