# 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

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RECORDS AND
REPORTING

June 26, 2000

### BY HAND DELIVERY

Ms. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Docket No. 990649-TP

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Sprint's Phase I Prehearing Statement.

We are also submitting the Prehearing Statement on a 3.5" high-density diskette using Microsoft Word 97 format, Rich Text.

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.

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#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing of unbundled network elements

ORIGINIAL DOCKET NO. 990649-TP

FILED: 6/26/00

## SPRINT'S PHASE I PREHEARING STATEMENT

Sprint Communications Company, Limited Partnership and Sprint-Florida, Incorporated (collectively "Sprint"), pursuant to Order No. PSC-00-2015-TP, submits the following Phase I Prehearing Statement.

- A. WITNESS: In Phase I of this proceeding, Sprint will sponsor the direct testimony of James W. Sichter, Kent W. Dickerson, John D. Quackenbush and John A. Holmes. These witnesses will testify on issues 5, 6, 7b, 7c, 7d, 9b and 13.
- В. EXHIBITS: Sprint's witness, John D. Quackenbush, has 14 exhibits applicable to Phase I of this proceeding; namely, Exhibits JDQ-1 through JDQ-14 attached to his direct testimony; Sprint's witness Kent W. Dickerson has one exhibit applicable to Phase I of this proceeding; namely, KWD-1; Sprint's witness James W. Sichter, has 3 exhibits applicable to Phase I of this proceeding; namely, Exhibits 1, 10 and 11.

DOCUMENT NUMBER-DATE

07743 JUN 268

FPSC-RECORDS/REPORTING

### C. BASIC POSITION:

Phase I of this proceeding addresses just a handful of the dozens of issues actually in the proceeding. Nevertheless, the Commission should make certain, even in this limited proceeding, that one essential policy consideration is not overlooked; namely, whatever policies the Commission adopts in this proceeding, those policies must be applied uniformly and equally to all ILECs.

### D-G. ISSUES AND POSITIONS:

# <u>Issue 5</u>: For which signaling networks and call-related databases should rates be set?

<u>Position</u>: Sprint proposes UNE rates for the following signaling networks and call-related database items:

- common channel signaling (including STP Ports and STP Switching (SS7 Interconnection))
- Database Query Services
- 911/E911

(Holmes)

# Under what circumstances, if any, is it appropriate to recover non-recurring costs through recurring rates?

<u>Position</u>: Absent compelling circumstances (i.e., evidence that high non-recurring charges are a barrier to entry), Sprint

believes that non-recurring costs should be recovered through non-recurring rates. (Sichter)

## <u>Issue 7</u>: What are the appropriate assumptions and inputs for the following items to be used in the forwardlooking recurring UNE cost studies?

- b) depreciation;
- c) cost of capital;
- d) tax rates.

### Position:

- b) Sprint has adopted for this proceeding the depreciation lives ordered by the Florida Public Service Commission in the Universal Service Fund Docket No. 990696-TP. (Dickerson)
- C) Using the weighted market value cost of capital for Sprint-Florida, the cost of capital is 13.19% based upon the market value capital structure of 10.36% debt and 89.64% common equity. (Quackenbush)
- d) Sprint's filing utilizes the federal and state income tax and state ad valorem tax rates currently in effect in Florida. (Dickerson)

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?

Position: This proceeding does not address the pricing of two network elements the Federal Communications Commission determined should be unbundled; namely, "line sharing" and Operational Support Systems (OSS). Sprint understands these two network elements will be addresses in separate proceedings. (Sichter)

# <u>Issue 13</u>: When should the recurring and non-recurring rates and charges take effect?

<u>Position</u>: Sprint recommends that any UNE rates ordered in this proceeding should be filed 60 days after the release of the Commission Order. (Sichter)

- H. <u>STIPULATIONS</u>: Sprint is not aware of any pending stipulations at this time.
- I. <u>PENDING MOTIONS</u>: Sprint is not aware of any pending motions at this time.
- J. <u>COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE</u>: Sprint does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

Respectfully submitted this 26th day of June, 2000.

CHARLES J. REHWINKEL Sprint-Florida, Inc. P. O. Box 2214 Tallahassee, Florida 32316 (850) 847-0244

and

Ausley & McMullen

Post-Office Box 391

Tallahassee, Florida 32302

(850) 224-9115

ATTORNEYS FOR SPRINT

### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by e-mail transmission, U. S. Mail, or hand delivery (\*) this  $26^{\rm th}$  day of June 2000, to the following:

Beth Keating \*
Division of Legal Services
Florida Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Karen F. Jusevitch
AT&T
101 N. Monroe Street, Suite 700
Tallahassee, FL 32301-1549

Christopher V. Goodpastor Covad Communications Company 9600 Great Hills Trail Suite 150 W Austin, TX 78759

Michael A. Gross
Florida Cable Telecommunications
Assoc., Inc.
310 N. Monroe Street
Tallahassee, FL 32301

Charles Pellegrini
Wiggins and Villacorta
2145 Delta Blvd., Suite 200
Tallahassee, FL 32303

Kimberly Caswell GTE Florida Incorporated P. O. Box 110, FLTC0007 Tampa, FL 33601-0110

Richard Melson Hopping Law Firm P. O. Box 6526 Tallahassee, FL 32314 Nancy B. White Bennett L. Ross BellSouth Telecommunications 150 S. Monroe St., Suite 400 Tallahassee, FL 32301-1556

Steve Bowen/Jeremy Marcus Blumenfeld & Cohen 1625 Massachusetts Ave., NW Suite 300 Washington, DC 20036

Jim Lamoureaux AT&T Communications 1200 Peachtree Street, N.E. Room 8068 Atlanta, GA 30309

Joseph McGlothlin McWhirter, Reeves, et al. 117 South Gadsden Street Tallahassee, FL 32301

Catherine F. Boone COVAD 10 Glenlake Parkway Suite 650 Atlanta, GA 30328

Norman H. Horton, Jr. Messer, Caparello & Self 215 S. Monroe St., Suite 701 Tallahassee, FL 32301

Scott Sappersteinn Intermedia Communications, Inc. 3625 Queen Palm Drive Tampa, FL 33619-1309 Mark Buechele
P. O. Box 398555
Miami Beach, FL 33239-8555

Donna C. McNulty MCI WorldCom 325 John Knox Road, Suite 105 Tallahassee, FL 32303-4131

J. Jeffry Wahlen Ausley & McMullen P. O. Box 391 Tallahassee, FL 32302

Jon Moyle
Moyle Law Firm
The Perkins House
118 N. Gadsden Street
Tallahassee, FL 32301

Mark Rothschild Swidler & Berlin Law Firm 3000 K Street, NW #300 Washington, DC 20007-5116 Karen Camechis Pennington, Moore, et al. 215 S. Monroe Street Tallahassee, FL 32301

Stephen C. Reilly Office of Public Counsel c/o The Florida Legislature 111 W. Madison St., Room 812 Tallahassee, FL 32399-1400

Rodney L. Joyce Shook, Hardy & Bacon 600 14<sup>th</sup> St., N.W., Suite 800 Washington, DC 20005-2004

Jonathan Canis Kelley law Firm 1200 19<sup>th</sup> St., N.W., 5<sup>th</sup> Floor Washington, DC 20036

Attorney

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