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August 18, 2000

**VIA OVERNIGHT DELIVERY**

Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

Re: Prehearing Statement of Broadslate Networks of Florida, Inc., Cleartel Communications, Inc. and Florida Digital Network in Docket No. 990649-TP

Dear Ms. Bayo:

Enclosed please find one original and fifteen (15) copies of the Phase II Prehearing Statement of Broadslate Networks of Florida, Inc., Cleartel Communications, Inc. and Florida Digital Network in ongoing Docket No. 990649-TP. Please date stamp and return the extra copy to us in the enclosed self addressed, postage paid envelope.

Also enclosed is a diskette containing an electric copy of this Prehearing Statement in WordPerfect format. Please feel free to contact me if you have any questions or require further information.

Thank you very much for your immediate attention to this matter.

Sincerely,

Marc B. Rothschild  
Counsel for Broadslate Networks of Florida, Inc.,  
Cleartel Communications, Inc. and Florida Digital  
Network

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Enclosures

cc: John Spilman  
Mike Gallagher  
Hope G. Colantonio

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**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Investigation Into                    )**  
**Pricing of Unbundled Network        )**  
**Elements                                        )**

**Docket No. 990649-TP**  
**Filed: August 18, 2000**

**Phase II Prehearing Statement of Broadslate Networks of Florida, Inc., Cleartel  
Communications, Inc. and Florida Digital Network**

Broadslate Networks of Florida, Inc., Cleartel Communications, Inc. and Florida Digital Network (collectively, the “Coalition”), pursuant to Order No. PSC-00-2015-PCO-TP, as amended, submit the following Phase II Prehearing Statement.

**A.     WITNESS:** In Phase II of this proceeding, the Coalition will sponsor the rebuttal testimony of Eric McPeak and Mark Stacy. These witnesses will testify on issues 3, 4, 9, and 11. It is likely that these witnesses also will file rebuttal testimony in response to BellSouth’s revised cost study and supporting testimony.

**B.     EXHIBITS:** Coalition witness Eric McPeak, has 8 exhibits applicable to Phase II of this proceeding; namely, Exhibits EM 1 - EM 8 attached to his testimony. Coalition witness Mark Stacy has 12 exhibits applicable to Phase II of this proceeding; namely, Exhibits 1 through 12 attached to his testimony. The Coalition reserves its right to introduce additional exhibits during cross-examination.

**C.     BASIC POSITIONS:**

Phase II of this proceeding addresses a number of issues concerning UNEs necessary for ALECs to provide advanced services to consumers Florida. It is the Coalition’s position that the non-recurring charges associated with the provision of many of these UNEs are significantly overinflated. In particular, BellSouth’s proposed non-recurring charges for Unbundled Copper Loops, loop conditioning charges and charges for the Unbundled Subloop Intrabuilding Wire and

Cable border on cost prohibitive for the Coalition. Over the past few years, the FCC has aggressively sought to promote competition in the provision of advanced services as required by Section 706 of the Telecommunications Act of 1996. State commissions such as the Florida Public Service Commission (“Commission”) play an important role in requiring ILECs to make their networks available to competitive providers on a non-discriminatory basis and at reasonable rates to ensure that competition flourishes and Florida customers can avail themselves of the most advanced telecommunications services. BellSouth’s proposed rates do not allow for and in fact stifle competition in Florida.

**D - G. ISSUES AND POSITIONS:**

**Issue 1:       What factors should the Commission consider in establishing rates and charges for UNEs (including deaveraged UNEs and UNE combinations)?**

**Position:**     No position at this time.

**Issue 2:       (a)     What is the appropriate methodology to deaverage UNEs and what is the appropriate rate structure for deaveraged UNEs?**

**(b)     For which of the following UNEs should the Commission set deaveraged rates?**

- (1)     loops (all);**
- (2)     local switching;**
- (3)     interoffice transport (dedicated and shared);**
- (4)     other (including combinations).**

**Position:**     No position at this time.

**Issue 3:       (a)     What are xDSL capable loops?**

**(b)     Should a cost study for xDSL-capable loops make distinctions based on loop length and/or the particular DSL technology to be deployed?**

**Position:**     (a)     No position at this time.

- (b) The costs of xDSL-capable loops should neither be based upon the length of the loop nor the type of DSL technology deployed.

**Issue 4:** (a) Which subloop elements, if any, should be unbundled in this proceeding, and how should prices be set?

- (b) How should access to such subloop elements be provided, and how should prices be set?

**Position:** (a) Intra-building Network Cable (INC), which also comprises Network terminating Wire, should be unbundled in this proceeding and prices should be set in accordance with the Direct Testimony of Mark Stacy.

(b) ALECs should be entitled to have direct access to BellSouth's network, without being forced to install a 25-pair capacity access terminal. Moreover, an ALEC should not be forced to bear the entire financial burden associated with provisioning a 25-pair panel when it orders its first pair, and then bear the full costs again each time it orders an additional pair. Rather, BellSouth should be required to pre-wire an entire multi-dwelling unit ("MDU") when a first pair is ordered and, in accordance with federal law, an ALEC should be responsible only for its pro-rata share of the facilities it actually uses. Moreover, the Commission should revisit its Rule 25-4.0345-1B. Consistent with the FCC's UNE Remand Order, the Commission should adopt a flexible approach to determining the point of demarcation for MDUs. For example, if an ALEC enters into an agreement with the building owner of a MDU, wherein the building owner allows the ALEC direct access to the inside wiring, then that ALEC should not be required to purchase INC from BellSouth. If, however, an ALEC wishes to enter into an interconnection agreement with BellSouth in order to purchase an entire loop to the customer premise, then it should be entitled to do so. In other words, as recognized by the FCC, the demarcation point should be flexible and based upon the nature of the relationship between the parties involved. (Stacy.)

**Issue 7:** What are the appropriate assumptions and inputs for the following items to be used in the forward-looking recurring UNE cost studies?

- (a) network design (including customer location assumption);
- (e) structure sharing;
- (f) structure costs;
- (g) fill factors;
- (h) manholes;
- (i) fiber cable (material and placement costs);
- (j) copper cable (material and placement costs);
- (k) drops;
- (l) network interface devices;
- (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) loadings
- (t) expenses
- (u) common costs
- (v) other.

**Position:** No position at this time.

**Issue 8:** What are the appropriate assumptions and inputs for the following items to be used in the forward-looking non-recurring UNE cost studies?

- (a) network design;
- (b) OSS design;
- (c) labor rates;
- (d) required activities;
- (e) mix of manual versus electronic activities;
- (f) other.

**Position:** No position at this time.

**Issue 9:** (a) What are the appropriate recurring rates (averaged or deaveraged as the case may be) and non-recurring charges for each of the following UNEs?

- (1) 2-wire voice grade loop;
- (2) 4-wire analog loop;
- (3) 2-wire ISDN/IDSL loop;
- (4) 2-wire xDSL-capable loop;
- (5) 4-wire xDSL-capable loop;
- (6) 4-wire 56 kbps loop;
- (7) 4-wire 64 kbps loop;
- (8) DS-1 loop;
- (9) high capacity loops (DS3 and above);
- (10) dark fiber loop;
- (11) subloop elements (to the extent required by the Commission in Issue 4);
- (12) network telephone interface devices;
- (13) circuit switching (where required);
- (14) packet switching (where required);
- (15) shared interoffice transmission;
- (16) dedicated interoffice transmission;
- (17) dark fiber interoffice facilities;

- (18) signaling networks and call-related databases;
- (19) OS/DA (where required).

**Position:** The appropriate non-recurring charges for 2-wire and 4-wire xDSL loops and subloop elements are indicated below (Stacy, McPeak).

| ELEMENT                    | BellSouth<br>Proposed Rate |               | Recommended<br>Rate |               |
|----------------------------|----------------------------|---------------|---------------------|---------------|
|                            | First                      | Addi-<br>onal | First               | Addi-<br>onal |
| 2-Wire Copper Loop         |                            |               |                     |               |
| Installation               |                            |               |                     |               |
| 2-Wire Copper Loop - Short | \$300.3<br>8               | \$192.3<br>8  | \$22.07             | \$13.72       |
| 2-Wire Copper Loop - Long  | \$192.3<br>3               | \$109.1<br>7  | \$35.38             | \$10.26       |

| ELEMENT                    | BellSouth<br>Proposed Rate |               | Recommended<br>Rate |               |
|----------------------------|----------------------------|---------------|---------------------|---------------|
|                            | First                      | Addi-<br>onal | First               | Addi-<br>onal |
| 4-Wire Copper Loop         |                            |               |                     |               |
| Installation               |                            |               |                     |               |
| 4-Wire Copper Loop - Short | \$355.6<br>9               | \$239.9<br>7  | \$48.60             | \$33.02       |
| 4-Wire Copper Loop - Long  | \$247.6<br>3               | \$156.7<br>6  | \$20.81             | \$12.95       |

| ELEMENT                    | BellSouth<br>Proposed Rate |               | Recommended<br>Rate |               |
|----------------------------|----------------------------|---------------|---------------------|---------------|
|                            | First                      | Addi-<br>onal | First               | Addi-<br>onal |
| 2-Wire Copper Loop         |                            |               |                     |               |
| Disconnect                 |                            |               |                     |               |
| 2-Wire Copper Loop - Short | \$155.4<br>4               | \$35.51       | \$0.93              | \$0.40        |
| 2-Wire Copper Loop - Long  | \$155.4<br>4               | \$35.51       | \$0.93              | \$0.40        |

| ELEMENT                    | BellSouth<br>Proposed Rate |               | Recommended<br>Rate |               |
|----------------------------|----------------------------|---------------|---------------------|---------------|
|                            | First                      | Addi-<br>onal | First               | Addi-<br>onal |
| 4-Wire Copper Loop         |                            |               |                     |               |
| Disconnect                 |                            |               |                     |               |
| 4-Wire Copper Loop - Short | \$171.5<br>5               | \$40.07       | \$0.94              | \$0.41        |
| 4-Wire Copper Loop - Long  | \$171.5<br>5               | \$40.07       | \$0.94              | \$0.41        |

| ELEMENT                          | BellSouth<br>Proposed Rate |               | Recommended<br>Rate |               |
|----------------------------------|----------------------------|---------------|---------------------|---------------|
|                                  | First                      | Addi-<br>onal | First               | Addi-<br>onal |
| Intrabuilding Network Cable      |                            |               |                     |               |
| INC                              |                            |               |                     |               |
| A.2.14 - 2-Wire INC              | \$13545                    | \$38.08       | \$5.42              |               |
| A.2.14 - 2-Wire INC - Disconnect | \$118.5<br>9               | \$19.63       | \$0.10              |               |
| A.2.15 - 4-Wire INC              | \$175.6<br>7               | \$51.88       | \$2.48              |               |
| A.2.15 - 4-Wire INC - Disconnect | \$125.0<br>6               | \$20.03       | \$1.43              |               |

| ELEMENT   | BellSouth<br>Proposed Rate |               | Recommended<br>Rate |               |
|---|----------------------------|---------------|---------------------|---------------|
|   | First                      | Addi-<br>onal | First               | Addi-<br>onal |
| Unbundled Subloop Elements                                      |                            |               |                     |               |
| A.2.19 - Per Building Equipment Room - CLEC Facility Set-Up     | \$402.70                   |               | \$8.09              |               |
| A.2.20 - Per Building Equipment Room - Per 25 Pair Panel Set-Up | \$158.23                   |               | \$4.05              |               |

**Issue 10:** What is the appropriate rate, if any, for customized routing?

**Position:** No position at this time.

**Issue 11:** What is the appropriate rate if any, for line conditioning, and in what situations should the rate apply?

**Position:** The appropriate rates for line conditioning are indicated below (McPeak).

| <b>Cost Element</b> | <b>Description</b>   | <b>Non-Recurring Cost</b> | <b>Reference</b> |
|---------------------|--|---------------------------|------------------|
| A.17.1              | Unbundled Loop Modification Load Coil/Equip. Removal Short | \$9.76                    | Exhibit EM_1     |
| A.17.2              | Unbundled Loop Mod. Load Coil Removal - Long               | \$31.92                   | Exhibit EM_2     |
| A.17.3              | Unbundled Loop Mod. Bridge Tap Removal                     | \$7.811                   | Exhibit EM_3     |
| A.17.4              | Unbundled Loop Mod. Additive                               | \$16.71                   | Exhibit EM_4     |

**Issue 12:** Without deciding the situations in which such combinations are required, what are the appropriate recurring and non-recurring rates for the following UNE combinations:

- (a) "UNE platform": consisting of: loop (all), local (including packet, where required) switching (with signaling), and dedicated and shared transport (through and including local termination);
- (b) "extended links," consisting of:
  - (1) loop, DSO/1 multiplexing, DS1 interoffice transport;
  - (2) DS1 loop, DS1 interoffice transport;
  - (3) DS1 loop, DS1/3 multiplexing, DS3 interoffice transport.

**Position:** No position at this time.

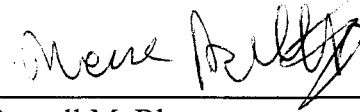
**H. STIPULATIONS:** The Coalition is not aware of any pending stipulations at this time.

**I. PENDING MOTIONS:** The Coalition is not aware of any pending motions at this time.



**J. COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE:** The Coalition does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

Respectfully submitted this 18<sup>th</sup> day of August, 2000.



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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished via first class mail on the following parties on this 18<sup>th</sup> day of August, 2000.

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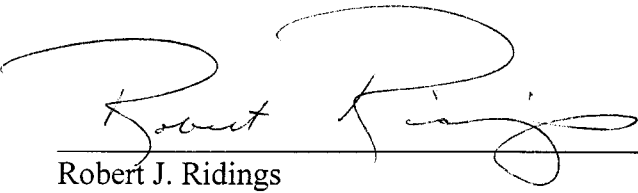
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