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October 6, 2003

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Ms. Blanca Bayó, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket Nos. 981834-TP and 990321-TP

Dear Ms. Bayó:

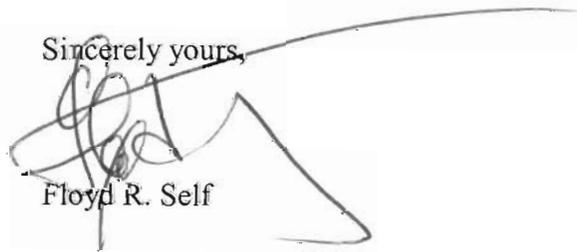
Enclosed for filing on behalf of AT&T Communications of the Southern States, LLC and TCG South Florida, Inc. are an original and fifteen copies of AT&T Communications of the Southern States, LLC and TCG South Florida, Inc.'s Prehearing Statement in the above referenced dockets. Also enclosed is a diskette with the document on it in WordPerfect 9.0 format.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

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Sincerely yours,



Floyd R. Self

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Enclosures
cc: Tracy W. Hatch, Esq.
Parties of Record

DOCUMENT NUMBER - 09670
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Competitive Carriers for)
Commission action to support local competition) Docket No.: 981834-TP
in BellSouth Telecommunications, Inc.'s service)
territory.)
)
)
Petition of ACI Corp. d/b/a Accelerated)
Connections, Inc. for generic investigation to)
ensure that BellSouth Telecommunications, Inc.,)
Sprint-Florida, Incorporated, and GTE) Docket No.: 990321-TP
Florida Incorporated comply with obligation) Filed: October 6, 2003
obligation to provide alternative local exchange)
carriers with flexible, timely, and cost-efficient)
physical collocation)
_____)

PREHEARING STATEMENT (ISSUE NOS. 9-10)
OF AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC AND
TCG SOUTH FLORIDA, INC.

AT&T Communications of the Southern States, LLC and TCG South Florida, Inc. (hereinafter "AT&T") pursuant to Order No. PSC-02-1513-PCO-TP issued on November 4, 2002, submit the following Prehearing Statement in the above-captioned dockets.

(A)/(B) Witnesses, Subject Matter Issue(s), and Exhibit(s)

AT&T intends to sponsor the testimony of the following witnesses:

<u>Witnesses:</u>	<u>Testimony Filed</u>	<u>Issues:</u>
1. Steve Turner (AT&T)	Rebuttal	9A, 9B and 10
2. Terry Murray	Surrebuttal	9A, 9B and 10

Turner Exhibits:

Exhibit SET-1	Resume of Steve Turner
Exhibit SET-2	Investment per Amp used in BellSouth's Collocation Power Rate
Exhibit SET-3	Southwestern Bell's investment proposal
Exhibit SET-4	Texas PUC approved Investments for DC power rates

Exhibit SET-5	US Department of Energy Estimated U.S. Electric Utility Average Revenue per Kilowatt Hour to Ultimate Consumers by Sector, Census Division, and State, Year-to-Date (November) 2002 and 2001
Exhibit SET-6	The table showing the value used by BellSouth
Exhibit SET-7 (Revised)	Proposed collocation rates for BellSouth
Exhibit SET-8 (Revised)	Proposed collocation rates for Sprint
Exhibit SET-9 (Revised)	Proposed collocation rates for Verizon
Exhibit SET-10	Matrix outlining the modifications made to the underlying inputs in the BellSouth input worksheets to the BellSouth Cost Calculator

Murray Exhibits:

Exhibit TLM-1:	Curriculum Vitae of Terry L. Murray
Exhibit TLM-2:	<i>2/24/03 Survey of Professional Forecasters</i>
Exhibit TLM-3:	Weighted-Average Cost of Capital and Cost of Equity Calculations with Supporting Documents
Exhibit TLM-4:	Yield-to-Maturity for Verizon's Publicly Traded Debt with Supporting Document

(C) Basic Position

Collocation of CLEC facilities in ILEC central offices is an essential prerequisite to facilities-based entry into the local market. It is absolutely critical that collocation be provided on a timely, efficient and economic basis. The Commission should adopt the practices, terms and conditions described below by AT&T regarding the recurring and non-recurring charges for collocation space, cancellation of collocation space, space reservation and reclamation, transfer of collocation space, copper entrance facilities, and the provision of electric power to collocation space. AT&T's positions are the most appropriate in fulfilling the Commission's mandate to foster competition in the local exchange market.

(D)(E) and (F) Questions of Fact, Pricing Issues

ISSUE 9A: For which collocation elements should rates be set for each ILEC?

WITNESS: Steve Turner

AT&T'S POSITION:

Please refer to Exhibit SET-7 (Revised), Exhibit SET-8 (Revised), and Exhibit SET-9 (Revised) attached to Mr. Turner's Rebuttal Testimony for a comprehensive set of collocation elements for which rate should be set for BellSouth, Sprint, and Verizon, respectively.

ISSUE 9B: For those collocation elements for which rates should be set, what is the proper rate and the appropriate application of those rates?

WITNESS: Steve Turner

AT&T'S POSITION:

AT&T operates in all three of the incumbent territories in Florida who are participating in this matter. Currently, there is an extremely wide disparity in the rates for collocation found in these three territories and in the application of those rates. The rate elements associated with collocation such as the application process, DC power, interconnection arrangements, cage construction, and space within the central office should not have widely disparate costs in a TELRIC environment. The costs for these components should be very similar in that all three of the incumbents have the ability to purchase the underlying telecommunications assets at similar prices and operate them in a similarly efficient manner on a forward-looking basis. Given that the underlying investments should be similar, developing widely disparate costs and rates for collocation

indicates that the results are inaccurate and inconsistent with cost-based TELRIC principles.

The most efficient approach to determine the costing of collocation elements would be to identify a single cost model for collocation. A single cost model would allow the Commission to focus on the important issues of the efficient, forward-looking investment inputs that are consistent with TELRIC principles that should go into the model for all three incumbents without being concerned with how three different models may convert the single input into widely disparate results. Further, a single cost model would allow the Commission to establish cost-based rates for the three incumbents in Florida that are easily compared and would have more certainty that the resulting costs borne by CLECs for collocation would be consistent between the three Florida incumbents.

AT&T recommends the BellSouth Cost Model as the single cost model to use in this proceeding. The BellSouth Cost Calculator is flexible allowing the user to easily add new cost elements if necessary and it is auditable in that all of the internal calculations within the model can be exported to EXCEL spreadsheets to demonstrate how the calculations within the model are conducted. In short, the BellSouth Cost Calculator presents the best alternative for developing collocation costs among the models submitted in this proceeding and the Commission should use this model to establish a comprehensive and consistent set of collocation rates for Florida CLECs. The rates that AT&T would propose are contained in Exhibit SET-7 (Revised), Exhibit SET-8 (Revised), and Exhibit SET-9 (Revised) attached to the Rebuttal Testimony of Steven E. Turner.

ISSUE 10: What are the appropriate definitions, and associated terms and conditions for the collocation elements to be determined by the Commission?

WITNESS: Steve Turner

AT&T'S POSITION:

AT&T's position is that the appropriate definitions, and associated terms and conditions for the collocation elements should be established in a consistent manner between BellSouth, Sprint, and Verizon using the BellSouth collocation terms and conditions as a template consistent with AT&T's recommendation to use the BellSouth Cost Calculator to set collocation rates.

Moving to a single rate structure for collocation will simplify the interconnection process for CLECs within the state of Florida. Currently, CLECs have to work with three different rate structures with three different implementations of collocation arrangements. This is not necessary. Collocation is a very straightforward process of establishing space within a central office for collocator equipment and then establishing interconnection facilities and power to that equipment. There is no reason that a single set of terms and conditions for collocation along with a single rate structure for those collocation costs could not be implemented in Florida. Moreover, doing so would again lessen the overall cost of the regulatory process and facilitate the Commission ensuring that CLECs are treated in a nondiscriminatory manner between the three incumbents in Florida.

(G) Stipulated Issues

No issues have been stipulated at this time.

(H) Pending Motions

AT&T's Motion to Compel Discovery to Sprint-Florida, Inc.

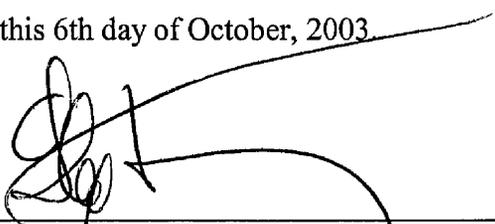
AT&T's Motion to Compel Discovery to BellSouth Telecommunications, Inc.

AT&T's Motion to Compel Discovery to Verizon Florida, Inc.

(I) **Other Requirements**

There are no requirements of which AT&T is aware or that cannot be complied with.

RESPECTFULLY SUBMITTED this 6th day of October, 2003



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Attorneys for AT&T Communications of
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery (*) and/or U. S. Mail this 6th day of October, 2003.

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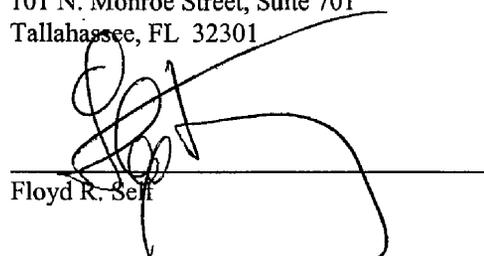
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