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September 10, 1998

**BY HAND DELIVERY**

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

Re: Docket No. 980696-TP

Dear Ms. Bayo:

Enclosed for filing in the above captioned docket are an original and fifteen copies of WorldCom Technologies, Inc.'s Prehearing Statement. Also enclosed is a 3 1/2" diskette with the document on it in WordPerfect 6.0/6.1 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.

Sincerely,

  
Floyd R. Self

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Enclosures

cc: Mr. Brian Sulmonetti  
Parties of Record

- WCK \_\_\_\_\_
- NFA 2
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DOCUMENT NUMBER-DATE

09907 SEP 10 98

FRSC-RECORDS/REPORTING

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Determination of Cost of Basic Local  
Telecommunications Services )

Docket No. 980696-TP  
Filed: September 10, 1998

**PREHEARING STATEMENT OF  
WORLD COM TECHNOLOGIES, INC.**

WorldCom Technologies, Inc., ("WorldCom"), through undersigned counsel, submits this prehearing statement.

**A. APPEARANCES**

Floyd R. Self, Esq.  
Messer, Caparello & Self, P.A.  
Post Office Box 1876  
Tallahassee, FL 32302-1876

On behalf of WorldCom Technologies, Inc.

**B. WITNESSES**

WorldCom does not intend to call any witnesses, but reserves the right to call witnesses, if necessary, as may be required by later filed testimony, completion of discovery, or new issues identified at the prehearing conference.

**C. EXHIBITS**

WorldCom does not intend to present any exhibits, but reserves the right to introduce exhibits, if necessary, as may be required by cross examination, later filed testimony, completion of discovery, or new issues identified at the prehearing conference.

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09907 SEP 10 2  
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#### **D. BASIC POSITION**

Universal service support must take into account the full family of profitable exchange services so as to not inappropriately lead to expensive and unnecessary support mechanisms. The proxy model used in this proceeding must: (1) identify the full cost of the typical family of exchange services; and (2) apply the same analytical approach to both the cost of local exchange service and the derivation of UNE prices by using the same geographic unit for both.

#### **E. ISSUES AND POSITIONS**

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

WorldCom's Position: The Commission should define "basic local telecommunications service" as including all services that typically comprise "basic local telecommunications service."

**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?**

WorldCom's Position: The Commission should use the HAI model and the cost of facilities that provide the full family of local exchange services.

**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 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?

WorldCom's Position: The wire center is the appropriate basis.

**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 variable
- (s) Expenses
- (t) Other inputs

WorldCom's Position: WorldCom adopts the positions of AT&T and MCI.

**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?

WorldCom's Position: WorldCom adopts the positions of AT&T and MCI.

**ISSUE 5(b):** For each of the LECs identified in (a), what cost results from using the input values identified in Issue 3 in the cost proxy model identified in Issue 2?

WorldCom's Position: WorldCom adopts the positions of AT&T and MCI.

**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?

WorldCom's Position: No position at this time.

**ISSUE 6(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?

WorldCom's Position: No position at this time.

**ISSUE 6(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?**

WorldCom's Position: No position at this time.

**F. PENDING MOTIONS FILED BY WORLDCOM, INC.**


WorldCom has no pending motions.

**G. REQUIREMENTS THAT CANNOT BE COMPLIED WITH**

WorldCom is not aware of any such requirements at this time.

Dated this 10th day of September, 1998.

Respectfully submitted,



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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of WorldCom Technologies, Inc.'s Prehearing Statement in Docket No 980696-TP has been furnished by Hand Delivery (\*) and/or U.S. Mail to the following parties of record this 10th day of September, 1998:

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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

DATED: September 10, 1998

STAFF'S NOTICE OF DEPOSITION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that Staff's Notice of Deposition has been served **VIA FACSIMILE**, to Harriet Eudy, ALLTEL Florida, Inc., at (904) 364-2474; and J. Jeffry Wahlen, Esq., Ausley & McMullen, at (850) 222-7560; this 10<sup>th</sup> day of September, 1998, and that a true and correct copy thereof has been furnished by U.S. Mail to the following:

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DOCKET NO. 980696-TP  
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