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June 26, 2000

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

Re: Docket No. 990649-TP
Investigation into Pricing of Unbundled Network Elements

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of GTE Florida Incorporated's Prehearing Statement for filing in the above matter. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing please contact me at (813) 483-2617.

Sincerely,

Kimberly Caswell

KC:tas
Enclosures

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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into Pricing of) Docket No. 990649-TP
Unbundled Network Elements) Filed: June 26, 2000
_____)

GTE FLORIDA INCORPORATED'S PREHEARING STATEMENT

GTE Florida Incorporated (GTEFL) files its Prehearing Statement in accordance with Order number PSC-00-2015-PCO-TP in this docket and Commission Rule 25-22.038.

A. Witnesses

GTEFL's witnesses for this phase of the proceeding and the issues to which they will testify are as follows:

Dennis B. Trimble: Issues 5, 6, 9(b) and 13.

Allen E. Sovereign: Issue 7(b).

Gregory D. Jacobson: Issue 7(c).

Michael R. Norris: Issue 7(d)

B. Exhibits

GTEFL will introduce the following exhibits:

1. Ex. MRN-1, attached to witness Norris's Direct Testimony.
2. Exs. GDJ-1, GDJ-2, GDJ-3, GDJ-4, GDJ-5, and GDJ-6, all attached to witness Jacobson's Direct Testimony. Mr. Jacobson will also sponsor rebuttal exhibits, which are, as yet, unnumbered.
3. Exs. AES-1 and AES-2, attached to witness Sovereign's Direct Testimony.

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4. Exs. DBT-1 (revised), DBT-2 (revised), DBT-3 (revised), and DBT-4, attached to witness Trimble's Direct Testimony.

GTEFL reserves the right to introduce additional exhibits at the hearing or other appropriate points.

C. GTEFL's Basic Position

In this phase of the proceeding, parties have been asked to propose cost model inputs for just three items: depreciation, cost of capital, and tax rates. GTEFL does not believe tax rates are controversial. With regard to depreciation and cost of capital, GTEFL urges the Commission to accept its inputs, which properly reflect the level of marketplace risk for GTEFL.

In addition, the Commission should reject the ALECs' suggestions that non-recurring charges should be recovered through recurring rates. The ALECs' approach would force the ILECs to bear the full risk of non-recovery for non-recurring charges. This is unfair and inappropriate from a policy standpoint.

Finally, no party has produced any evidence that could justify requiring the ILECs to unbundle any elements or combinations that the FCC has not ordered.

D., E., F., G. GTEFL's Specific Positions

GTEFL believes the issues identified for resolution in this case are mixed questions of fact, law, and policy.

Issue 5: For which signaling networks and call-related databases should rates be set?

GTEFL's Position: GTEFL is proposing TELRIC-based prices for all signaling networks and call-related databases as defined in FCC Rule 319(e), except for access to 911/E911

and AIN databases. The last two elements are currently provisioned on a bona fide request basis within the context of GTEFL's interconnection agreements. GTEFL would prefer to entertain requests for access to 911/E911 and AIN databases in this case-by-case fashion, particularly since there has been little demand of GTEFL for these elements. If the Commission wishes to set rates for access to 911/E911 or AIN databases, GTEFL would base those rates on a cost study it filed in 1997, with modifications, as appropriate.

Issue 6: Under what circumstances, if any, is it appropriate to recover non-recurring costs through recurring rates?

GTEFL's Position: GTEFL does not believe it is appropriate to recover non-recurring costs through recurring rates. This approach will force the ILECs to bear all the risk of non-recovery of recurring charges. It is not fair or appropriate that the ILECs' customers should pay the ALECs' non-recurring charges when an ALEC customer discontinues service or the ALEC goes out of business. The cost causer—the ALEC—should pay all non-recurring costs at the time they are incurred.

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

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

GTEFL's Position: The appropriate assumptions and inputs for depreciation, cost of capital, and tax rates are those that have been proposed, respectively, by GTEFL witnesses Sovereign, Jacobson and Norris.

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?

GTEFL's Position: The Commission should not require the ILECs to unbundle any elements or combinations other than those the FCC has designated.

Issue 13: When should the recurring and non-recurring rates and charges take effect?

GTEFL's Position: GTEFL should be given at least thirty days to implement the rates approved in the Commission's final order in this proceeding.

H. Stipulated Issues

GTEFL is unaware of any stipulations at this time.

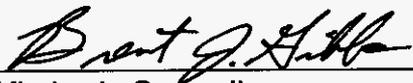
I. Pending Matters

GTEFL is unaware of any pending matters.

J. Procedural Requirements

To the best of its knowledge, GTEFL can comply with all requirements set forth in the procedural order in this case.

Respectfully submitted on June 26, 2000.

By: 

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Attorney for GTE Florida Incorporated

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Prehearing Statement in Docket No. 990649-TP were sent via U.S. mail on June 26, 2000 to the parties on the attached list.



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