

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by AT&T
Communications of the Southern
States, Inc. for arbitration of
certain terms and conditions of
a proposed agreement with
BellSouth Telecommunications,
Inc. concerning interconnection
and resale under the
Telecommunications Act of 1996.

DOCKET NO. 960833-TP

In re: Petition by MCI
Telecommunications Corporation
and MCI Metro Access
Transmission Services, Inc. for
arbitration of certain terms and
conditions of a proposed
agreement with BellSouth
Telecommunications, Inc.
concerning interconnection and
resale under the
Telecommunications Act of 1996.

DOCKET NO. 960846-TP

In re: Petition by Metropolitan
Fiber Systems of Florida, Inc.
for arbitration with BellSouth
Telecommunications, Inc.
concerning interconnection
rates, terms, and conditions,
pursuant to the Federal
Telecommunications Act of 1996.

DOCKET NO. 960757-TP

In re: Petition by MCI Metro
Access Transmission Services,
Inc. to set non-recurring
charges for combination of
network elements with BellSouth
Telecommunications, Inc.

DOCKET NO. 971140-TP
ORDER NO. PSC-97-1303-PCO-TP
ISSUED: October 21, 1997

DOCUMENT NUMBER-DATE

10789 OCT 21 5

FPSC-RECORDS/REPORTING

ORDER NO. PSC-97-1303-PCO-TP
DOCKETS NOS. 960833-TP, 960846-TP, 960757-TP, 971140-TP
PAGE 2

ORDER CONSOLIDATING DOCKETS, ESTABLISHING PROCEDURE,
DENYING REQUEST FOR ORAL ARGUMENT,
AND ESTABLISHING TENTATIVE LIST OF ISSUES

47 U.S.C. § 252(d)(1), Interconnection and Network Element Charges, requires that prices set for unbundled elements be based on cost, be nondiscriminatory and may include a reasonable profit. On December 16, 1996, the Commission issued Order No. PSC-96-1531-FOF-TP, in Docket No. 960757-TP. In that Order, which involved Metropolitan Fiber Systems of Florida, Inc. and BellSouth Telecommunications, Inc., (BellSouth), the Commission ordered BellSouth to file cost studies so that permanent rates could be established for specific unbundled network elements. By Order No. PSC-96-1579-FOF-TP, issued on December 31, 1996, in Dockets Nos. 960833-TP and 960846-TP, the Commission set permanent rates for certain unbundled network elements and interim rates for others involving BellSouth and AT&T Communications of the Southern States, Inc., (AT&T), and BellSouth and MCI Telecommunications Corporation, MCI Metro Access Transmission Services, Inc., (MCI), respectively. Once again, the Commission ordered BellSouth to file cost studies. Specifically, BellSouth was ordered to file cost studies on those elements for which the Commission established interim rates so that permanent rates could be established.

On August 28, 1997, MCI filed its Petition to Set Non-Recurring Charges for Combinations of Network Elements (Docket No. 971140-TP). MCI filed its Petition pursuant to Order No. PSC-96-1579-FOF-TP, referenced above. BellSouth filed a timely response in opposition to MCI's Petition on September 17, 1997.

Consolidation

Section 252(g) of the Telecommunications Act of 1996, provides that a State Commission may, to the extent practical, consolidate proceedings under sections 214(e), 251(f), 253 and 252 to reduce administrative burdens on telecommunications carriers, other parties to the proceedings, and the State commission in carrying out its responsibilities under the Act. The parties to the above-referenced dockets have indicated that the basic issue, what is the appropriate rate for specific items, is common to all of the parties, and as a result consolidation is appropriate. Accordingly, Dockets Nos. 960833-TP, 960846-TP, 960757-TP and 971140-TP shall be consolidated for purposes of administrative hearing. The parties shall present testimony, conduct cross-examination and file briefs on the issue or issues relevant to them. Those issues are set forth in "Appendix A" and incorporated by reference herein.

The Scope of the Proceeding in General

The scope of this proceeding shall be based upon the issues raised by the parties and Commission staff (staff) up to and during the prehearing conference, unless modified by the Commission. The hearing will be conducted according to the provisions of Chapter 120, Florida Statutes, and the rules of this Commission.

Discovery

a. When discovery requests are served and the respondent intends to object to or ask for clarification of the discovery request, the objection or request for clarification shall be made within ten days of service of the discovery request. This procedure is intended to reduce delay in resolving discovery disputes.

b. The hearing in this docket is set for January 26-28, 1998. Unless authorized by the Prehearing Officer for good cause shown, all discovery shall be completed by January 20, 1998. All interrogatories, requests for admissions, and requests for production of documents shall be numbered sequentially in order to facilitate their identification. The discovery requests will be numbered sequentially within a set and any subsequent discovery requests will continue the sequential numbering system. Unless subsequently modified by the Prehearing Officer, the following shall apply: interrogatories, including all subparts, shall be limited to 100, and requests for production of documents, including all subparts, shall be limited to 100.

c. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time period set forth in Section 364.183(2), Florida Statutes.

Diskette Filings

See Rule 25-22.028(1), Florida Administrative Code, for the requirements of filing on diskette for certain utilities.

Prefiled Testimony and Exhibits

Pursuant to Rule 25-22.048, Florida Administrative Code, each party shall prefile, in writing, all testimony that it intends to sponsor. Such testimony shall be typed on 8 1/2 inch x 11 inch transcript-quality paper, double spaced, with 25 numbered lines, on consecutively numbered pages, with left margins sufficient to allow for binding (1.25 inches).

Each exhibit intended to support a witness' prefiled testimony shall be attached to that witness' testimony when filed, identified by his or her initials, and consecutively numbered beginning with 1. All other known exhibits shall be marked for identification at the prehearing conference. After an opportunity for opposing parties to object to introduction of the exhibits and to cross-examine the witness sponsoring them, exhibits may be offered into evidence at the hearing. Exhibits accepted into evidence at the hearing shall be numbered sequentially. The pages of each exhibit shall also be numbered sequentially prior to filing with the Commission.

An original and fifteen copies of all testimony and exhibits shall be prefiled with the Director, Division of Records and Reporting by the close of business, which is 5:00 p.m., on the date due. A copy of all prefiled testimony and exhibits shall be served by mail or hand delivery to all other parties and staff no later than the date filed with the Commission. Failure of a party to timely prefile exhibits and testimony from any witness in accordance with the foregoing requirements may bar admission of such exhibits and testimony.

Prehearing Statement

Pursuant to Rule 25-22.038(3), Florida Administrative Code, a prehearing statement shall be required of all parties in this docket. Staff will also file a prehearing statement. The original and fifteen copies of each prehearing statement shall be prefiled with the Director of the Division of Records and Reporting by the close of business, which is 5:00 p.m., on the date due. A copy of the prehearing statement shall be served on all other parties and staff no later than the date it is filed with the Commission. Failure of a party to timely file a prehearing statement shall be a waiver of any issue not raised by other parties or by the

Commission. In addition, such failure shall preclude the party from presenting testimony in support of its position. Such prehearing statements shall set forth the following information in the sequence listed below.

- (a) the name of all known witnesses that may be called by the party, and the subject matter of their testimony;
- (b) a description of all known exhibits that may be used by the party, whether they may be identified on a composite basis, and the witness sponsoring each;
- (c) a statement of basic position in the proceeding;
- (d) a statement of each question of fact the party considers at issue, the party's position on each such issue, and which of the party's witnesses will address the issue;
- (e) a statement of each question of law the party considers at issue and the party's position on each such issue;
- (f) a statement of each policy question the party considers at issue, the party's position on each such issue, and which of the party's witnesses will address the issue;
- (g) a statement of issues that have been stipulated to by the parties;
- (h) a statement of all pending motions or other matters the party seeks action upon; and
- (i) a statement as to any requirement set forth in this order that cannot be complied with, and the reasons therefore.

Prehearing Conference

A prehearing conference will be held in this docket at the Florida Public Service Commission, 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850. The conditions of Rule 25-22.038(5)(b), Florida Administrative Code, shall be observed. Any party who fails to attend the prehearing conference, unless excused by the Prehearing Officer, will have waived all issues and positions raised in that party's prehearing statement.

Prehearing Procedure: Waiver of Issues

Any issue not raised by a party prior to the issuance of the prehearing order shall be waived by that party, except for good cause shown. A party seeking to raise a new issue after the issuance of the prehearing order shall demonstrate that: it was unable to identify the issue because of the complexity of the matter; discovery or other prehearing procedures were not adequate to fully develop the issue; due diligence was exercised to obtain facts touching on the issue; information obtained subsequent to the issuance of the prehearing order was not previously available to enable the party to identify the issue; and introduction of the issue could not be to the prejudice or surprise of any party. Specific reference shall be made to the information received, and how it enabled the party to identify the issue.

Unless a matter is not at issue for that party, each party shall diligently endeavor in good faith to take a position on each issue prior to issuance of the prehearing order. When a party is unable to take a position on an issue, it shall bring that fact to the attention of the Prehearing Officer. If the Prehearing Officer finds that the party has acted diligently and in good faith to take a position, and further finds that the party's failure to take a position will not prejudice other parties or confuse the proceeding, the party may maintain "no position at this time" prior to hearing and thereafter identify its position in a post-hearing statement of issues. In the absence of such a finding by the Prehearing Officer, the party shall have waived the entire issue. When an issue and position have been properly identified, any party may adopt that issue and position in its post-hearing statement.

Request to Add Issue in Docket No. 960757-TP

On October 3, 1997, WorldCom, Inc., filed a request to include the following issue in the proceeding:

What are the appropriate permanent recurring and non-recurring rates for the following elements:

...

(k) geographically deaveraged loops.

WorldCom also proposed the following issue in the alternative:

Should BellSouth be required to file cost studies for geographically deaveraged loops? If so, what are the

appropriate permanent and nonrecurring rates for geographically deaveraged loops.

WorldCom believes that both versions are appropriate based upon the language of Order No. PSC-96-1531-FOF-TP, at pages 10-11. WorldCom requested Oral Argument before the Prehearing Officer.

BellSouth filed its objection and request for oral argument in response to WorldCom's proposed issues on October 6, 1997. BellSouth argues that the Commission specifically refused to deaverage loop rates in the MFS, now known as WorldCom, Inc., arbitration (Docket No. 960757-TP). BellSouth states that the Commission found that the act did not require geographic deaveraging and that MFS's proposed deaveraging methodology was not appropriate. BellSouth also states that the Commission rejected MFS' request for reconsideration on this very issue. BellSouth argues that since the Commission rejected WorldCom's request for geographical loop deaveraging in the arbitration docket, that MFS' recourse is to enter into negotiations with BellSouth on this issue. BellSouth points out that the Commission did not order BellSouth to file cost studies on geographically deaveraged loops as it did for other elements. The loop rate ordered by the Commission, BellSouth argues, is permanent. According to BellSouth, if the Commission decided to include geographic deaveraging in this docket, new loop cost studies would be required.

Upon consideration, the parties' request for oral argument is denied. Further, after reviewing Order Nos. PSC-96-1531-FOF-TP and PSC-97-0235-FOF-TP, it appears that neither of WorldCom's proposed issues should be included in this proceeding. The Commission did not order geographic deaveraging of the unbundled loop rates in Order No. PSC-96-1531-FOF-TP, because there was not sufficient cost evidence to do so and because it found that MFS's proposed deaveraging methodology was inappropriate. Further, the Commission denied MFS's motion to reconsider this issue. See Order No. PSC-97-0235-FOF-TP. In addition, the Commission did not order BellSouth to file cost studies on geographically deaveraged loops. Since MFS had the opportunity to present evidence on this issue during the arbitration and the Commission rejected MFS's deaveraging methodology, MFS/WorldCom should not be able to raise this issue in this proceeding. This proceeding is designed to set permanent rates for those elements for which the Commission ordered BellSouth to file cost studies in the arbitration proceeding. Based on the foregoing, WorldCom's request to add an issue on geographic deaveraging is denied.

Tentative Issues

Attached to this order as Appendix "A" is a tentative list of the issues which have been identified in this proceeding. Prefiled testimony and prehearing statements shall address the issues set forth in Appendix "A".

Controlling Dates

The following dates have been established to govern the key activities of this case.

1)	All direct testimony and exhibits	11/13/97
2)	Staff's direct testimony and exhibits, if any	11/13/97
3)	All Rebuttal testimony and exhibits	12/9/97
4)	Prehearing Statements	12/9/97
5)	Prehearing Conference	1/14/98
6)	Hearing	1/26-28/98
7)	Briefs	3/3/98

Use of Confidential Information At Hearing

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding. Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183(4), Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute. Failure of any party to comply with the seven day requirement described above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.

When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the

Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material. Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so. At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting's confidential files.

Post-Hearing Procedures

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

Based upon the foregoing, it is

ORDERED by Commissioner Susan F. Clark, as Prehearing Officer, that the provisions of this Order shall govern this proceeding unless modified by the Commission. It is further


ORDERED that Dockets Nos. 960833-TP, 960846-TP, 960757-TP and 971140-TP are consolidated for purposes of administrative hearing as set forth in the body of this Order. It is further

ORDER NO. PSC-97-1303-PCO-TP
DOCKETS NOS. 960833-TP, 960846-TP, 960757-TP, 971140-TP
PAGE 10

ORDERED that the requests for oral argument filed by WorldCom, Inc., and BellSouth Telecommunications, Inc. are denied. It is further

ORDERED that WorldCom's request to include an issue on geographic deaveraging is denied.

By ORDER of Commissioner Susan F. Clark, as Prehearing Officer, this 21st day of October, 1997.



Susan F. Clark, Commissioner
and Prehearing Officer

(S E A L)

MMB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric,

ORDER NO. PSC-97-1303-PCO-TP

DOCKETS NOS. 960833-TP, 960846-TP, 960757-TP, 971140-TP

PAGE 11

gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

APPENDIX "A"

LIST OF ISSUES

ISSUE 1:¹ What are the appropriate permanent recurring and non-recurring rates for the following unbundled network elements:

- (a) Network interface device (NID);
- (b) 2-wire/4-wire Loop Distribution;
- (c) Virtual collocation;
- (d) Physical collocation;
- (e) Directory Assistance;
- (f) Dedicated transport (Nonrecurring only);
- (g) 4-wire analog port;
- (h) 2-wire ADSL-compatible loop; and
- (i) 2-wire/4-wire HDSL-compatible loop?

ISSUE 2:² What is the appropriate non-recurring charge for each of the following combinations of network elements for migration of an existing BellSouth customer:

- (a) 2-wire analog loop and port;
- (b) 2-wire ISDN loop and port;
- (c) 4-wire analog loop and port; and
- (d) 4-wire DS1 and port?

¹Issue 1 pertains to Dockets Nos. 960833-TP, 960846-TP and 960757-TP. BellSouth, AT&T and MCI will litigate items (a)-(i). WorldCom will litigate items (c), (d), (h) and (i) and notify parties shortly whether it intends to litigate the remaining items in this issue.

²Issue 2 pertains to Docket No. 971140-TP.