

ORIGINAL

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September 10, 1998

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

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RECORDS AND
REPORTING

Re: Docket No. 980696-TP

Dear Ms. Bayo:

Enclosed is an original and fifteen copies of ITS Telecommunications Systems, Inc.'s Prehearing Statement, which we ask that you file in the captioned matter.

Copies have been served to the parties shown on the attached Certificate of Service.

RECEIVED & FILED

FPSC BUREAU OF RECORDS

Sincerely,



David B. Erwin

DBE:jm

ACK _____
AFA 2 Copy to: All parties of record
APP _____ Robert M. Post, Jr.
CAF _____
CMU King
CTR _____
EAC _____
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OPR _____
RCH _____
SEC 1
WAS _____
OTH _____

DOCUMENT NUMBER-DATE
09887 SEP 10 98
FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Determination of the Cost of Basic)
Local Telecommunications Services,)
Pursuant to Section 364.025 Florida Statutes)
_____)

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

PREHEARING STATEMENT
OF ITS TELECOMMUNICATIONS SYSTEMS, INC.

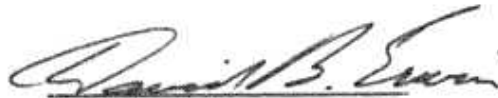
ITS Telecommunications Systems, Inc. (ITS), through its attorney, files this Prehearing Statement, pursuant to the provisions of Rule 25-22.038, F.A.C., and Order No. PSC-98-1008-PCO-TP, as follows:

- a) ITS will call one witness: Dan Weaver.
- b) ITS will file one exhibit: an embedded cost study.
- c) The basic position of ITS is that the determination of the cost of basic local telecommunications service appropriate for establishing a permanent universal service mechanism should be through the use of an embedded cost study for ITS and other Florida LECs that serve fewer than 100,000 access lines.
- d - g) - ITS has no position on any of the issues set forth in Order No. PSC-98-1008-PCO-TP, except Issues 6 (a) and 6(c). The Commission should not use a cost proxy model to compute the cost of basic local telecommunications service for LECs that serve fewer than 100,000 access lines. Instead, the Commission should use an embedded cost study approach to determine the cost of basic local telecommunications service for ITS; using such an approach, the resulting cost for ITS is \$73.07 per access line per month.
- h) ITS has not stipulated to any issues.

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- i) ITS has no pending motions upon which action is sought.
- j) ITS knows of no requirement of the Prehearing Officer that cannot be complied with.

Respectfully Submitted,



David B. Erwin
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Attorney for ITS Telecommunications Systems, Inc.

CERTIFICATE OF SERVICE

I hereby certify that copies of ITS Telecommunications Systems, Inc.'s Prehearing Statement were sent by U. S. Mail on September 10, 1998 to the parties on the attached list.



David B. Erwin

**CERTIFICATE OF SERVICE
DOCKET NO. 980696-TP**

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