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January 30, 2001

RECORDS AND
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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: FPSC Docket No. 000075-TP

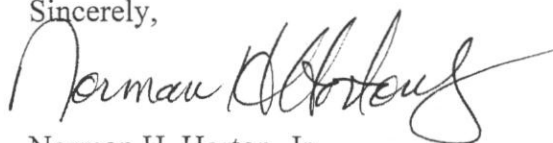
Dear Ms. Bayó:

Enclosed for filing on behalf of e.spire Communications, Inc. are an original and fifteen copies of e.spire Communications, Inc.'s Prehearing Statement in the above referenced docket.

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,



Norman H. Horton, Jr.

APP	_____	NHH/amb
CAF	_____	Enclosure
CMP	_____	
COM	_____	cc: James C. Falvey, Esq.
CTR	_____	Parties of Record
ECR	_____	
LEG	_____	
OPC	_____	
PAI	_____	
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FPSC-RECORDS/REPORTING

000280

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into Appropriate)	
Method to Compensate Carriers for Exchange)	Docket No. 000075-TP
Traffic Subject to Sec. 251 of the)	Filed: January 30, 2001
Telecommunications Act)	
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PREHEARING STATEMENT OF e.spire COMMUNICATIONS, INC.

American Communication Services of Jacksonville, Inc. d/b/a e.spire Communications, and
ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. (collectively "e.spire" or the
"Company"), through undersigned counsel, submits this prehearing statement.

A. APPEARANCES

Norman H. Horton, Jr., Esq.
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Post Office Box 1876
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James C. Falvey, Esq.
e.spire Communications, Inc.
131 National Business Parkway, Suite 100
Annapolis Junction, MD 20701

On behalf of e.spire Communications, Inc.

B. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
James C. Falvey (Direct and Rebuttal Testimony)		

C. EXHIBITS

<u>Number</u>	<u>Witness</u>	<u>Description</u>
_____ (JCF-1)	Falvey	October 4, 2000 Letter from Guy M. Hicks, Esq. on behalf of BellSouth to David Waddell, Executive Secretary of the Tennessee Regulatory Authority in Docket No. 99-00948

D. BASIC POSITION

The Commission should determine that calls placed to internet service providers should continue to be subject to reciprocal compensation as a dial up call to an ISP is telecommunications as defined in the Telecommunications Act and subject to reciprocal compensation. e.spire terminates calls originated by other carriers and should be compensated for providing that service. The determination that calls to ISPs should be subject to reciprocal compensation would be consistent with the Telecommunications Act and the FCC as well as the existing agreements between e.spire and other carriers.

E. ISSUES AND POSITIONS

ISSUE 1(a). Does the Commission have the jurisdiction to adopt an intercarrier compensation mechanism for delivery of ISP-bound traffic?

e.spire's Position: Yes. The FCC has recognized that states have the authority to interpret the contractual language in existing agreements and several states have already determined that reciprocal compensation should apply to ISP bound traffic.

ISSUE 1(b). If so, does the Commission have the jurisdiction to adopt such an intercarrier compensation mechanism through a generic proceeding?

e.spire's Position: Yes. Although the Commission has disposed of disputes between carriers regarding reciprocal compensation for ISP-bound traffic, it is not inappropriate for the Commission to consider the appropriate compensation mechanism in a generic proceeding.

ISSUE 2. Is delivery of ISP-bound traffic subject to compensation under Section 251 of the Telecommunications Act of 1996?

e.spire's Position: Yes. Section 251 of the Act requires reciprocal compensation arrangements for the transportation and termination of telecommunications. ILECs and ALECs perform these transactions for traffic from the other and it is appropriate to be compensated for performing this function.

ISSUE 3. What actions should the Commission take, if any, with respect to establishing an appropriate compensation mechanism for ISP-bound traffic in light of current decisions and activities of the courts and the FCC?

e.spire's Position: The Commission should conclude that ISP bound traffic should continue to be subject to reciprocal compensation as local traffic and the compensation should be the local call transport and termination rates.

ISSUE 4. What policy considerations should inform the Commission's decision in this docket?

e.spire's Position: The Commission should recognize that the transaction being performed by e.spire is the same as that performed by an ILEC, i.e., terminating traffic originated from another carrier and that there is a cost associated with this. ALECs should not be expected to perform this function at no compensation.

ISSUE 5. Is the Commission required to set a cost-based mechanism for delivery of ISP-bound traffic?

e.spire's Position: Yes. Section 252(d)(2) requires the mutual reciprocal recovery by each carrier of the costs associated with transport and termination of calls originating on another carriers network.

ISSUE 6. What factors should the Commission consider in setting the compensation mechanisms for delivery of ISP-bound traffic?

e.spire's Position: The Commission should consider a compensation mechanism that is consistent with cost causation; composed of rates based on forward looking cost principles that reflect the carriers costs and that are symmetrical.

ISSUE 7. Should intercarrier compensation for delivery of ISP-bound traffic be limited to carrier and ISP arrangements involving circuit-switched technologies?

e.spire's Position: No. The costs incurred for delivering traffic to the internet backbone are the same as those for traffic involving circuit-switched networks. To not provide for compensation for this traffic would unfairly penalize competitive carriers for providing innovative services and adversely affects consumers.

ISSUE 8. Should ISP-bound traffic be separated from non-ISP bound traffic for purposes of assessing any reciprocal compensation payments? If so, how?

e.spire's Position: No. Such an arrangement incorrectly assumes there are differences in the underlying costs for handling traffic.

ISSUE 9. Should the Commission establish compensation mechanisms for delivery of ISP-bound traffic to be used in the absence of the parties reaching an agreement or negotiating a compensation mechanism? If so, what should be the mechanisms?

e.spire's Position: Yes. The establishment of a default mechanism will ensure continued growth and development of advanced telecommunications services and at the same time give consumers competitive alternatives.

F. PENDING MOTIONS

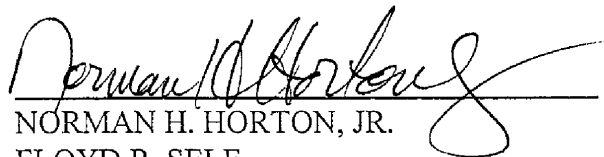
e.spire Communications, Inc. has are no pending motions.

G. REQUIREMENTS THAT CANNOT BE COMPLIED WITH

All requirements of the procedural order can be met by e.spire Communications, Inc.

Dated this 30th day of January, 2001.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Norman H. Horton, Jr.", is written over a horizontal line.

NORMAN H. HORTON, JR.

FLOYD R. SELF

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Attorneys for e.spire Communications, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of e.spire Communications, Inc.'s Prehearing Statement in Docket 000075-TP has been served on the following parties by Hand Delivery (*) and/or U. S. Mail this 30th day of January, 2001.

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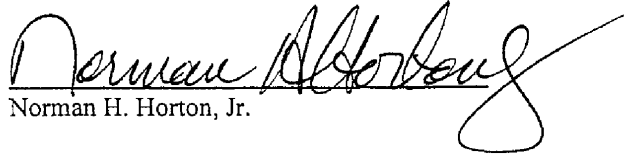
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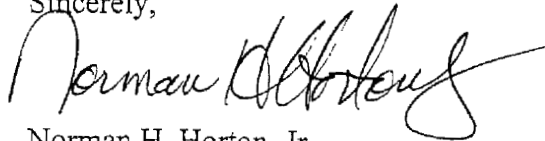
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cc: James C. Falvey, Esq.
Parties of Record