

ORIGINAL



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RECORDS AND  
REPORTING

September 17, 1998

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

Re: Docket No. 980696-TP

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and 15 copies of Citizens' Amended Prehearing Statement. A diskette in WordPerfect 6.1 is also submitted.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

Charles J. Beck  
Deputy Public Counsel

- ACK
- AFA 2
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU [Signature]
- CTR CJB:bsr
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DOCUMENT NUMBER DATE  
**10238** SEP 17 98  
FPSC-RECORDS/REPORTING

## 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

Filed: September 17, 1998

CITIZENS' AMENDED PREHEARING STATEMENT

Florida's Citizens ("Citizens"), by and through Jack Shreve, Public Counsel, file this amended prehearing statement.

Witnesses and Exhibits

The Citizens have not prefiled testimony by a witness and have no exhibits to identify at this time.

Statement of Basic Position

The cost of local service provided by the companies in this case consists mostly of joint or shared costs used to provide an array of services, not just local service, and includes costs assigned to the interstate jurisdiction. If 100% of such joint costs are used in this proceeding to determine the cost of local service, the revenues from all services benefitting from joint costs must be taken into account when considering the need for a universal service fund. This revenue benchmark is the same one recommended by the Federal/State Joint Board and used by the FCC for universal service purposes.

DOCUMENT NUMBER-DATE

10238 SEP 17 88

FPSC-RECORDS/REPORTING

## 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?

**Position:** The definition is set forth in the statute.

**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?

**Position:** No position at this time.

**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?

**Position:** No position at this time.

**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
- ⊙ 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 variables
- (s) Expenses
- (t) Other inputs

Position: No position at this time.

**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?

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

Position: Cost proxy models must be used for companies with 100,000 or more lines.

**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?

(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?

(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?

Position:

**Stipulated Issues**

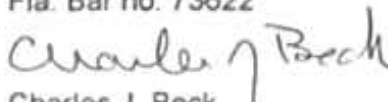
The Citizens have not stipulated to any issues.

**Pending Motions**

The Citizens' first motion to compel against GTE Florida, filed on August 19, 1998, is pending.

Respectfully submitted,

JACK SHREVE  
Public Counsel  
Fla. Bar no. 73622



Charles J. Beck  
Deputy Public Counsel  
Fla. Bar No. 217281

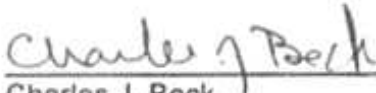
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**DOCKET NO. 980696-TP  
CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S.

Mail or hand-delivery to the following parties on this 17th day of September, 1998.

  
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