

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 01-02-024
(Filed February 21, 2001)

Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Loops in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 01-02-035
(Filed February 28, 2001)

Application of The Telephone Connection Local Services, LLC (U 5522 C) for the Commission to Reexamine the Recurring Costs and Prices of the DS-3 Entrance Facility Without Equipment in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-031
(Filed February 28, 2002)

Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Interoffice Transmission Facilities and Signaling Networks and Call-Related Databases in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-032
(Filed February 28, 2002)

Application of Pacific Bell Telephone Company (U 1001 C) for the Commission to Reexamine the Costs and Prices of the Expanded Interconnection Service Cross-Connect Network Element in the Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-034
(Filed February 28, 2002)

Application of XO California, Inc. (U 5553 C) for the Commission to Reexamine the Recurring Costs of DS1 and DS3 Unbundled Network Element Loops in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-03-002
(Filed March 1, 2002)

Application of AT&T Communications of California, Inc. and WorldCom, Inc. for the Commission to Reexamine Shared and Common Costs and Non-Dedicated Transport in its Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 04-03-013
(Filed March 12, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING JOINT PREHEARING CONFERENCE**

This ruling sets a prehearing conference in Application (A.) 01-02-024 and consolidated cases (commonly known as the "2001/2002 UNE Reexamination") and A.04-03-013 (the "2004 UNE Reexamination") to discuss issues common to both dockets.

Pursuant to Ordering Paragraph 4 of Decision (D.) 04-09-063, which establishes permanent unbundled network element (UNE) rates for Pacific Bell Telephone Company, doing business as SBC-California (SBC-CA), the

Commission will hold further proceedings in the 2001/2002 UNE Reexamination to review the amount of billing adjustments owed by interconnecting carriers to SBC-CA, and by SBC-CA to interconnecting carriers. Ordering Paragraph 4 allows SBC-CA 90 days in which to calculate these billing adjustments, or “true-up” amounts, and states that further proceedings will “consider payment options or other mitigations to lessen any negative effects of the true-up, and whether and how to implement any shared and common cost markup revisions” as directed by the Ninth Circuit Court of Appeals.¹

In March 2004, AT&T Communications of California, Inc. (AT&T) and WorldCom (now known as “MCI”) filed A.04-03-013 requesting reexamination of SBC-CA’s shared and common costs and shared transport costs.

A prehearing conference is set for October 13, 2004, at 10 a.m., at the Commission Courtroom, State Office Building, 505 Van Ness Avenue in San Francisco, to initiate these proceedings. The purpose of the prehearing conference is to determine a schedule for resolving true-up and shared and common cost markup issues.

Regarding the true-up, parties are encouraged to discuss mutually agreeable payment terms in an effort to settle true-up disputes with minimal Commission involvement and in an expedited manner. Parties should come to the prehearing conference prepared to discuss the following proposed schedule:

October 30--SBC-CA files and serves true-up calculations on all parties in the 2001/2002 SBC UNE Reexamination docket.

¹ See *AT&T Communications of California, Inc. et al., v. Pacific Bell Telephone Company, et al.*, 375 F.3d 894.

November 15--Parties file and serve comments on:

- a. Status of negotiations regarding mutually agreeable payment terms,
- b. Criteria the Commission should consider to determine whether hardship exists in payment of the true-up and whether mitigation measures should be considered, and
- c. Proposed mitigation measures.

December 1--Parties file and serve reply comments on ability to pay, criteria for hardship and mitigation measures.

January 31, 2005--ALJ issues draft decision resolving true-up payment issues.

Regarding the shared and common cost-markup, parties should come prepared to suggest a schedule for consideration of changes to the existing shared and common cost markup, given the remand of this issue by the Ninth Circuit. It is my inclination to review the mark-up in A.04-03-013 rather than the 2001/2002 SBC UNE Reexamination. Parties may comment on this at the prehearing conference.

Therefore, **IT IS RULED** that a joint prehearing conference is scheduled in A.01-02-024 and consolidated cases and A.04-03-013 for October 13, 2004 at 10 a.m. as set forth in this ruling.

Dated October 1, 2004, at San Francisco, California.

/s/ DOROTHY J. DUDA by PSW

Dorothy J. Duda
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Joint Prehearing Conference on all parties of record in this proceeding or their attorneys of record.

Dated October 1, 2004, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.