ORIGINAL

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 Telecommuni-cations, Inc. concerning interconnection and resale under the Telecommunications Act of 1996.	DOCKET NO. 960833-TP
In re: Petition by MCI Telecommuni-cations Corporation and MCI Metro Access Transmission Services, Inc. for arbitration of certain terms and conditions of a proposed agreement with BellSouth Telecommuni-cations, 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

DIRECT TESTIMONY OF DAVID N. PORTER ON BEHALF OF WORLDCOM, INC.

Dated: November 13, 1997

DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is David N. Porter. My business address is WorldCom, Inc. ("WorldCom"), 1120 Connecticut Avenue, N.W., Suite 400, Washington, D.C. 20036.

Q. BY WHOM ARE YOU EMPLOYED AND WHAT ARE YOUR RESPONSIBILITIES?

A. I am Vice President - Regulatory Economics/Policy for WorldCom, which is the ultimate parent corporation of Metropolitan Fiber Systems of Florida, Inc. I work with senior managers of WorldCom and its subsidiaries to develop its positions on public policy discussions before state, federal and international regulatory and legislative bodies. I oversee WorldCom's filings before the Federal Communications Commission ("FCC") and in state proceedings on economic and technical issues. I also collaborate on our ongoing interconnection negotiations driven by the Telecommunications Act of 1996.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I graduated from the University of Illinois in 1968 with a Bachelor of Science degree in General Engineering and from Roosevelt University, Chicago in 1974 with a Masters in Business Administration. I am Registered as a Professional Engineer in Illinois, New Jersey and New York.

I began my telecommunications career in 1967 as an engineer for Illinois Bell. After assignments in traffic, outside plant, local and toll central office and toll facility engineering, I assumed duties as a service cost engineer responsible for designing and completing cost studies to support Illinois Bell rate filings and for establishing the price

of equipment, land and buildings to be sold to or purchased from customers and other utilities. In 1976, I transferred to AT&T and was responsible for supervising numerous studies being completed by academicians and scientists intended to demonstrate the technical and economic harms of interconnecting competing communications networks and equipment. Later, I worked on the AT&T team that negotiated and implemented the breakup of the Bell System. For two years following AT&T's divestiture of BellSouth and the other Bell Operating Companies in 1984, I managed the state and federal regulatory activities for AT&T Information Systems including its attempts to gain state approvals to offer shared tenant services. After that assignment, I was responsible for creating certain AT&T responses in the first triennial review of the Modification of Final Judgment. In the late 1980s, I was responsible for developing policy positions related to state regulatory issues and for managing AT&T's intrastate financial results. For several years thereafter, I advocated AT&T's interests at the FCC on matters concerning enhanced services and wireless services including spectrum management issues. My last position with AT&T was Director - Technology and Infrastructure. I was responsible for advocating AT&T's interests with Members of Congress, the FCC and their staffs on technical matters surrounding local exchange competition.

During the past several years, I traveled in eastern and central Europe and South America with employees of the U.S. State Department and the U.S. Department of Commerce as their industry representative at bilateral and other meetings during which the U.S. encouraged other governments to adopt laws and policies that would foster telecommunications development and competition. I have conducted multi-day training

sessions for State Department embassy trade personnel worldwide. I have spoken before many state regulatory and legislative bodies and have attended and made presentations to numerous industry meetings and training sessions.

In May of 1996, I assumed the position of Vice President of MFS Communications Company, Inc. (parent company of Metropolitan Fiber Systems of Florida, Inc.) and have continued to perform substantially the same duties after WorldCom acquired MFS at the end of last year.

I. INTRODUCTION

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony evaluates the permanent nonrecurring loop costs for ADSL and HDSL loops proposed by BellSouth Telecommunications, Inc. ("BST") in its Florida loop cost study. My testimony also evaluates the permanent physical collocation costs that BST reported in its Florida physical collocation cost study.

Q. WHY ARE THESE COST STUDIES BEFORE THE COMMISSION?

A. In August 1996, in Docket 960757, the Commission conducted an arbitration between MFS and BST to resolve disputes so that the parties could execute an interconnection agreement pursuant to the Telecommunications Act. I personally testified before this Commission on behalf of MFS in that arbitration. In its December 1996 Order, the Commission set permanent analog voice grade loop rates. Because BST had not offered any evidence regarding its recurring and non-recurring costs for 2-wire ADSL and 2- and 4-wire HDSL loops, the Commission set interim rates for those types of loops equivalent

to the rates it set for 2- and 4-wire analog voice grade loops. I summarize these interim rates below.

Currently priced loops based on equivalent analog loops

		Nonrecurring Rates	
Type	Monthly	(First)	(Add'l)
2-wire ADSL	$17.00	$140.00	$42.00
2-wire HDSL	$17.00	$140.00	$42.00
4-wire HDSL	$30.00	$141.00	$43.00

Q. **PLEASE IDENTIFY THE COST STUDIES BEFORE THE COMMISSION.**

A. Currently, the Commission has before it BST's Florida Unbundled ADSL and HDSL Compatible Loops Cost Study ("Loop Study") and its Florida Physical Collocation Study ("Collocation Study"). These cost studies were filed on February 14, 1997 in Docket No. 960757 to comply with Order No. PSC-96-1531-FOF-TP. I understand that BST is filing new cost studies on the day I am filing this testimony, which may or may not include ADSL, HDSL, and collocation costs that are completely different from those BST reported in its February 1997 Studies. Obviously, I cannot now testify about these new cost studies. Indeed, as this demonstrates for WorldCom and the other parties to this case, BST's costs estimates represent a moving target.

II. ADSL AND HDSL COSTS

Q. **DO YOU HAVE ANY GENERAL OBSERVATIONS ABOUT BST'S ADSL AND HDSL NONRECURRING CHARGES?**

A. Yes. In my opinion, BST's proposed nonrecurring costs are based on a provisioning process that BST does not use for its own loops. BST's study costs a gold-plated provisioning process that yields vastly overstated nonrecurring costs. The nonrecurring costs BST reports in its February study are nearly four times as high as the interim rates the Commission set last November. WorldCom believes the interim rates also are well above costs.

Q. HOW DO YOU KNOW THAT BST'S NONRECURRING CHARGES ARE GOLD-PLATED?

A. One way I know this by comparing the nonrecurring costs BST reports to the nonrecurring costs its actually charges its retail customers in its tariff. I also know the costs are inflated by examining BST nonrecurring rates for other carriers.

Q. WHAT DID YOUR COMPARISON OF BST'S NONRECURRING CHARGES WITH BST'S TARIFF REVEAL?

A. In BST's Florida General Subscriber Service Tariff, Section A4, BST identifies a "line connection charge" that it charges its retail customers that for"ordering, installing, moving, charging, rearranging or furnishing of" telecommunication services. This charge applies to all classes of Basic Exchange Service, ESSX service, and Centrex. BST charges residence customers $40 for the first line and $12 for each additional line. BST charges business customers $56 for the first line and $12 for each additional line. For the sake of argument, if WorldCom's business customers desired high speed digital loops, WorldCom would pay nearly 10 times the nonrecurring charges to connect the loop than BST's own retail customers would if the Commission adopted the Loop Study costs. WorldCom has

not examined cost studies supporting these tariffed nonrecurring connection charges, so I cannot critique them in detail. I would note, however, that these retail rates are well below the $140 nonrecurring charge that BST proposed in MFS' arbitration, and that the Commission approved on a permanent basis. WorldCom is not in the same position as the typical end user: as a carrier, we perform much of the order taking, engineering and testing functions ourselves. Thus, as a matter of common sense, BST should charge ALECs nonrecurring charges below retail. Federal law supports this view. The Telecommunications Act requires that unbundled elements be based on BST's costs. BST does not incur all of its usual costs when an ALEC purchases an unbundled loop.

Q. **WHAT DID YOUR COMPARISON OF BST'S NONRECURRING CHARGES TO OTHER FLORIDA CARRIERS REVEAL?**

A. In Docket No. 970454, this Commission approved a negotiated interconnection agreement between BST and KMC Telecom, Inc. The nonrecurring charge for Florida unbundled 2-wire ADSL and 2- and 4-wire HDSL loops is $44.80. Note that this was a negotiated agreement reached by a CLEC which is smaller than WorldCom. This rate really represents the outer limit BST could rationally charge any Florida CLEC.

Q. **ARE BST'S TARIFFED NONRECURRING CONNECTION CHARGES FOR BASIC EXCHANGE SERVICE EQUIVALENT TO THE ADSL AND HDSL LOOPS AT ISSUE?**

A. Yes. You may have heard of the saying in the telecommunications industry that "a loop is a loop." It is true. Dry copper loops are similar, whether they are voice grade analog loops, or ADSL and HDSL compatible loops. An end user desiring high speed digital

loops will typically provide a device similar to a modem at the customer premise which enables the end user to send and receive high speed data transmissions over BST's loops to a similar piece of equipment located at a WorldCom location. Thus, the primary difference between voice grade loops from high speed digital loops is equipment that BST does not provide or need to support. As I will describe, the nonrecurring connection charge for basic exchange service can serve as an appropriate benchmark for Commission consideration because little installation is involved in making BST loops ADSL and HDSL compatible, nor is much BST engineering, testing, or travel required to convert a BST customer to high speed digital service provided by WorldCom over BST unbundled loops. In most cases, BST's loops should be of sufficient quality that WorldCom can use them for high speed digital transmission without further conditioning.

Q. **PLEASE DESCRIBE WHAT IS INVOLVED IN CONVERTING A BST CUSTOMER TO WORLDCOM HIGH SPEED DIGITAL SERVICE.**

A. To begin with, let me be clear about what WorldCom desires to do. WorldCom anticipates it often will provide service to end users using BST unbundled loops. WorldCom will provide its own voice or data switches, so this will not be a pure resale arrangement. For most ADSL or HDSL customers, there would be almost no cost associated with the conversion at all. BST would simply reassign a loop serving one of its former customers to WorldCom and that would be the end of the matter. Since WorldCom is a facilities-based carrier, BST just crossconnects one of its loops at its MDF to a tie cable that enters our collocated space. The loop then will be served by

WorldCom's equipment. While there is some cost associated with this operation, it usually is far less than BST assigns to it.

For an efficient ILEC, there are four functions associated with the conversion of a loop to an ALEC: the service order, engineering, connection and testing, and field cross connects. I will describe them in turn. The efficient costs I am describing are summarized in Exhibit ___ (DNP-1).

Service Order

The service order is taken from the customer, in this case from WorldCom. Service orders are supposed to be taken through use of BST's Operations Support Systems ("OSS"). WorldCom personnel will gather customer information and transfer it electronically to BST. No BST manual intervention should be associated with reading an electronic order, but occasionally some may fail. After the electronic systems have been installed and tested, I would estimate that fewer than 5% of orders would require any manual intervention and that intervention would require well under one hour of clerical time; thus, the average time required to manually correct errors would not exceed five minutes on average. No additional time would be required for multiple loops on the same order. I would estimate even less human time would be necessary for BST to process a disconnection order. Such disconnection time would be discounted by the effective cost of money divided by the expected service life of the connection. I have not performed this calculation. For simplicity, I will say the disconnect time is also five minutes.

Engineering

Unlike analog loops that typically require no outside plant engineering associated with establishing service, ADSL and HDSL loops may require some "conditioning" in order to satisfy the appropriate technical specifications. This is not the time spent by a craftsperson to connect a loop at the customer's premises or to complete field cross-connections. Rather, it is the time required to upgrade BST facilities to the ADSL/HDSL transmission standards. This work typically is required only on loops longer than 18,000 feet. About 80% of all loops are shorter than 18,000 feet. Another 5% typically also require upgrades. But, as BST's studies demonstrate, ADSL and HDSL loops are typically much shorter than the average loop. In my opinion, it is a reasonable assumption that 90% of these orders will not require upgrades while 10% will. In other words, I would conservatively estimate that 90% of orders require no outside plant upgrade while 10% of the orders might require some engineering and maintenance time. In other jurisdictions, we have established that an efficient ILEC upgrades multiple loops -- typically one binder group or 25 pairs -- at the same time.

Now, we need to estimate the time required to upgrade these loops. Being very generous, I would estimate four hours of engineering time to identify the binder groups to be modified and to write the field orders. I also would estimate less than four hours per load coil case to disconnect and resplice pairs at three locations and another four hours at the service area interface to change any field cross connections. This totals twenty hours of labor to upgrade 25 pairs.

Taking a weighted average of 25 conversions with my assumption that 10% of loops require this activity, I derive a weighted average of five minutes to perform the typical digital loop conversion. No time is associated with disconnection.

Additional engineering is only necessary for an efficient ILEC for hard orders. On average, I estimate that 90% of orders require no additional engineering, and that 10% of orders require 30 minutes of additional engineering. As a result, I derive a weighted average of 3 minutes per order, whether for the first order or additional orders. No time is associated with disconnection.

Connection and Testing

There are central office and field connection and testing functions an efficient ILEC must perform. I estimate an efficient ILEC spends an average of 5 minutes on Central Office installation and maintenance for the first and additional orders. Special services coordination and testing, and installation and maintenance, may be necessary on approximately 10% of the orders. Again, I estimate 30 minutes per affected order, or a weighted average of 3 minutes per first and additional order. No time is associated with disconnection.

Field

For 10% of the orders, travel time may be necessary for a technician to make field cross-connections. In metropolitan areas where WorldCom is likely to experience demand for digital loops, distances are short. Consequently, I would estimate that an efficient ILEC technician might spend 15 minutes traveling to and 15 minutes crossconnecting service for about 10% of loop conversions. Thus, the weighted average is 3 minutes per

the first order and 1.5 minutes associated with additional orders. No time is associated with disconnection.

Q. **AS YOU HAVE DESCRIBED IT, HOW MUCH SHOULD AN EFFICIENT ILEC CHARGE AN ALEC FOR NONRECURRING COSTS?**

A. Approximately 26 minutes of labor are associated with the average digital loop conversion for the first line, and 14.5 minutes for each additional line. BST's labor rate is proprietary. For the sake of argument, however, if the loaded labor rate is somewhere between $30-$60 per hour, or $45 on average, then the nonrecurring charge for the first order should be approximately $19.50, and for additional orders approximately $10.87. As I mentioned earlier, BST requests nonrecurring charges orders of magnitude higher than this.

Q. **SHOULD THERE BE ANY DIFFERENCE IN THE NONRECURRING CHARGE FOR A 2-WIRE ADSL LOOP AND A 2-WIRE OR 4-WIRE HDSL LOOP?**

A. Theoretically no. A loop is a loop.

Q. **WHY ARE THE PERMANENT NONRECURRING CHARGES THAT THE COMMISSION APPROVED IN MFS' ARBITRATION FOR ANALOG LOOPS SO MUCH HIGHER THAN THE ONES THAT YOU PROPOSE?**

A. The permanent nonrecurring analog loop charges are higher because the rates the Commission approved are the same as the ones that BST sponsored. Those rates were not tested by MFS. When MFS' arbitration was conducted, the FCC's Total Element Long Run Incremental Cost ("TELRIC") was in effect. It was not until the case was submitted to the Commission, and no further briefing or argument was permitted, that the U.S.

Court of Appeals for the Eighth Circuit stayed and later vacated those pricing rules. During MFS' arbitration, BST sponsored a Total Service Long Run Incremental Cost ("TSLRIC") cost study. The cost study method BST used during the arbitration did not conform to the TELRIC standard then in effect during the arbitration. As a result, MFS did not insist that BST justify the charges in that study because the study was plainly defective in its entirety. Now that the costing method that applies in Florida is clear, WorldCom must take BST's cost study as it finds it. Upon close scrutiny of that study, BST's costs are highly inflated.

Q. **WHY ARE THE COSTS REPORTED IN BST'S LOOP STUDY AS HIGH AS THEY ARE?**

A. Generally, BST treats unbundled loops more like special access lines, than like the lines over which it services the majority of its own customers. I have five criticisms of BST's loop study. First, BST assumes that it must perform a circuit layout for almost every loop. In other words, the provisioning costs of almost every loop include the labor costs of having an engineer personally plot the layout of the loop. For the most part, this procedure is completely unnecessary because the loop is usually to be used for the same purpose, and the same customer, as when BST was the serving carrier. BST certainly does not order a circuit layout for every loop it sells at retail (otherwise, the charge for hooking up a phone in Florida would be astronomically high). The Commission should remove the circuit layout charge from nonrecurring charges for unbundled loops.

Second, BST assumes that it must dispatch a technician into the field for every loop to be provisioned. In this manner, BST inserts expensive "windshield" costs (*i.e.*, costs for

the time that a technician spends behind the windshield driving to a customer premises) into its proposed nonrecurring charges. In general, costs for field installation of unbundled loops should be minimal, because BST should not have to utilize personnel and equipment to accomplish installation functions which, by and large, can be done electronically. On most occasions, BST does not even bother to disconnect loops after customers discontinue service. BST simply blocks calling from the prior customer's line until a new customer subscribes from that location. BST should assess field installation charges as part of the nonrecurring charges for unbundled loops and only for that portion of orders when it actually dispatches a technician into the field to provision a particular loop.

Third, BST treats every loop as if it is ordered alone, passing onto competitors none of the economies of scale and scope that BST realizes on orders of multiple loops. BST considers costs of coordination and labor to be cumulative for all functions, instead of complementary in situations where provisioning tasks overlap. It is completely unrealistic for BST to assume (as it does) that its personnel always work on only one provisioning task for each loop at a time. At a minimum, the coordination charge should apply on a per-order basis, for there is no cost difference between coordinating two, three, four or more loops at the same time. Additionally, the Commission should scrutinize BST's labor costs and consolidate those that would not be incurred in an order of multiple loops.

Fourth, BST intends to provide testing for almost every loop that it provisions, even though it conducts no such testing on loops for its own customers. Indeed, for many loops WorldCom will perform the testing itself without the assistance of BST. BST thus

discriminates against loop purchasers. The Commission should not allow BST to insert such testing costs into nonrecurring charges for loops.

Q. **PLEASE CRITIQUE BST'S FEBRUARY 14, 1997 LOOP STUDY.**

A. Workpapers 850 and 1050 of that study ("Workpapers"), pages 39 and 43 of the filing, are the documentation for nonrecurring TSLRIC nonrecurring costs of 2-wire and 4-wire high speed digital loops, respectively. While the costs of each vary, I believe that there should be little or no difference in the nonrecurring rates for both types of loops.

Service Order

Customer Service Point of Contact

To my mind, lines 16 and 20, column A of the Workpapers which describe the customer service point of contact charge are excessive and duplicative. As I discussed above, this is essentially the charge for manual intervention in BST's OSS system. This is not the charge for the time a carrier customer service representative spends on the telephone with a retail customer. In a truly automated system between ILEC and ALEC, there should be virtually no manual intervention. BST alleged in its Section 271 before this Commission that it has fully automated OSS. While WorldCom does not agree with this view, the costs that BST reports for what are essentially electronic functions do not even remotely resemble an automated operation. Nevertheless, 5 minutes is appropriate. This is the one charge for which I believe a disconnect charge is warranted but, again, only 5 minutes are appropriate, and discounted in the manner I described earlier. BST's charge for disconnection is found on line 22, column B.

Outside Plant Engineering

Line 17 of the Workpapers describe the charge BST feels is necessary for outside plant engineering. I believe that BST has not passed along economies of scale in this number. Most carriers group their outside plant engineering jobs in binder groups of 25 pairs. Carriers typically do not do these jobs individually because they have the volume of orders that batching is economical and efficient. I believe that this number does not reflect batching because it is so high. For the amount of time in line 17, column A to be necessary for a loop order, each order would have to be done individually and it would have to be of substantial complexity. As I described earlier, a more reasonable assumption is that 90% of orders are easy, 10% are hard. According to BST's study, 100% of orders are hard.

Special Services

Line 22, column A demonstrates the special services coordination and testing time that BST reports is necessary for loop conversions. Ordinarily, this is a function that WorldCom would perform for itself. No BST time should be devoted to this task. Line 23, column A is special systems installation and maintenance time. I believe that BST has costed this item as if it were performing this function at the retail customer premise. When WorldCom is the customer this is not the case. Virtually none of this installation and maintenance is necessary when WorldCom is the customer.

Engineering

Lines 26 and 27 demonstrate the facilities assignment and circuit provisioning center functions necessary for loop conversions. These BST figures do not appear to

account for 90% easy conversions. The vast majority of the BST loops WorldCom will purchase have already been engineered. Additional engineering should only be necessary when there is a problem, or approximately 10% of the time.

Connect and Test

Line 30 reflects BST's Central Office installation and maintenance time. This figure appears appropriate. Lines 31 and 32 reflect an extraordinary amount of special services testing and installation time. In truth, technicians performing this function are simply testing the cross-connect. This is a matter of minutes, not hours.

Travel

Finally, line 35 reflects BST technician's travel time. This is the "windshield" cost to which I earlier referred. Virtually no technician time is necessary outside of BST's Central Office. Such a charge is more in line with serving retail customers, not ALECs.

Q. **WHAT RATES DO YOU PROPOSE FOR NONRECURRING CHARGES FOR 2-WIRE ADSL AND 2- AND 4-WIRE HDSL LOOPS?**

A. I propose $19.50 for the first loop and $10.87 for each additional loop.

III. COLLOCATION CHARGES

Q. **WHY IS THE COMMISSION CALLED UPON TO SET PERMANENT COLLOCATION RATES AT THIS TIME?**

A. In MFS' arbitration, BST proposed collocation rates from its "Collocation Handbook." The Commission ruled in December 1996 that it could not determine on the basis of that handbook what cost methodology BST used to arrive at the rates. Accordingly, the Commission ordered BST to file a TSLRIC study for collocation, which it did in February

1997. In January 17, 1997, BST and MFS amended their Partial Interconnection Agreement by filing an interim collocation agreement in Docket 960757. Exhibit F of that filing lists the interim rates for physical collocation. For ease of reference, I attach that page as Exhibit ___ (DNP-2) to my testimony. While the parties have interim collocation rates, they do not have permanent rates.

Q. **PLEASE CRITIQUE BST'S FEBRUARY 14, 1997 PHYSICAL COLLOCATION STUDY.**

A. BST's collocation study summarizes the costs in Section 3, pages 13 and 14 of the study. In the interim agreement, Exhibit ___ (DNP-2), the application fee is $3,850.00. Yet in the study, BST costs the application fee significantly higher. While no cost study supports the interim rates, I do note that most of the difference in the February study's cost for the application fee and the interim cost can be attributed to "Business Marketing" as reflected on Workpaper 410. BST does not need to market to WorldCom to get us to collocate in their Central Office. I doubt that they would even allow us to do so if they were not required by federal law to permit collocation. WorldCom cannot serve Florida unless it collocates in BST's Central Offices. This marketing charge is unnecessary and excessive.

The Space Construction charge in the study is almost twice as high as the interim rate. Examining Workpaper 420, BST attributes almost all of this cost to the cost of materials. The material is essentially 40 linear feet of chain link fence with a gate. There is no further backup for this figure and it represents a "black box." BST cannot justify

why the cost of materials in January 1997, when the interim agreement was signed, doubled one month later when the cost study was filed.

I take issue with the nonrecurring cross connect charges that BST includes in its collocation study. One of the study assumptions (Section 6 of the study, page 88) is that the cross connection will always be installed with either an unbundled element or an interconnection order. Given this assumption, BST is getting a double recovery since it is already compensated by nonrecurring charges for the unbundled loop network elements. If this charge is intended to cover intraoffice cabling, that element is recovered separately in our interconnection agreement.

BST also has significantly marked up its labor rate for security escorts in its study as compared to the interim agreement. It is common in the industry to require collocators' technicians to sign in when they enter an ILEC Central Office to do work. Sign in is usually done at the front door. An ILEC would normally have a guard at the front door of its Central Office, whether or not there were collocators. It is also common in the industry that ILEC security guards do not continuously accompany collocator technicians while at the ILEC Central Office, if at all. In some cases, security is simply an electronic lock. BST is merely attempting to shift some of its sunk labor costs to its competitors. It should not be permitted to do by charging ALECs for escort time that BST does not incur, and certainly does not incur in addition to BST's normal security needs.

Q. **WHAT DO YOU PROPOSE AS THE NONRECURRING RATES FOR COLLATION?**

A. I propose the rates found in Exhibit __ (DNP-2).

IV. CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. BST is attempting to charge WorldCom nonrecurring rates for ADSL and HDSL compatible loops which reflect a gold-plated process to provision loops to retail customers, not to ALECs. An efficient ILEC which uses fully automated OSS, as BST constantly claims that it does, would not incur the labor costs that the February cost study claims BST does. Either BST has electronic ordering or it does not. In addition, BST has costed installation, maintenance, testing and related functions as if every order needed special and individual attention. BST cannot possibly be so disorganized or inefficient that it processes orders for its retail customers in such a fashion, much less for a carrier-customer which is collocated at BST's facilities and which performs many technical functions for itself. In any event BST non-recurring charges for ADSL and HDSL loops should not exceed the $44.80 it voluntarily negotiated in the KMC interconnection agreement. Finally, BST has not adequately identified why the charges in its collocation study exceed those charges BST agreed to with MFS in an interim agreement a mere month before the cost study was filed. Surely BST would not have agreed to such an interim arrangement unless those charges covered its costs. WorldCom urges the Commission to give these studies careful scrutiny so that BST do not attempt to cost loops and collocation beyond the costs they actually and legitimately incur.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

WorldCom, Inc.
FPSC Docket No. 960757
Exhibit No. _____ (DNP-1)

WORLDCOM, INC.
PROPOSED EFFICIENT ILEC CHARGES
TO CONVERT ADSL & HDSL LOOPS

	Install		Disconnect	
	First	Add'l	First	Add'l
	(minutes)		(minutes)	
Service Order				
Customer Point of Contact	5	0	5	0
Engineering				
Outside Plant Engineering/Operations	5	5	0	0
Add'l Engineering	3	3	0	0
Connection & Testing				
CO install. & maint.	5	5	0	0
Field				
Cross Connect	3	1.5	0	0
			26.0	14.5
			x labor rate:	$45
			$19.50	$10.87

209728.1

WorldCom, Inc.
FPSC Docket No. 960757
Exhibit No. _____(DNP-2)

EXHIBIT F

The Schedule of Interim Rates and Charges for Physical Collocation Pursuant to Section 6.2

Rate Element Description	Type of Rate/Charge	Rate/Charge
Application Fee	NRC	[illegible]
Space Preparation	NRC	[illegible]
Space Construction	NRC	[illegible]
Cable Installation	NRC	[illegible]
Floor Space Zone A	RC	[illegible]
Floor Space Zone B	RC	[illegible]
DC Power	RC	[illegible]
Cable Support Structure	RC	[illegible]
DS1 Cross Connect	RC	[illegible]
DS3 Cross Connect	RC	[illegible]
DS1 or DS3 Cross Connect	NRC First	[illegible]
DS1 or DS3 Cross Connect	NRC Additional	[illegible]
POT Bay - DS1	RC	[illegible]
POT Bay - DS3	RC	[illegible]
Security Escort	Basic - First Half Hour	[illegible]
Security Escort	Overtime - First Half Hour	[illegible]
Security Escort	Premium - First Half Hour	[illegible]
Security Escort	Basic - Additional	[illegible]
Security Escort	Overtime - Additional	[illegible]
Security Escort	Premium - Additional	[illegible]

Other Elements: Cross Connects associated with unbundled loops shall be provided pursuant to the Interconnection Agreement. Service interconnection shall be provided at transport rates reflected in effective BellSouth Access Tariffs. Previously-requested SONET cross connects shall be provided pursuant to the FCC's filing process for OAP services.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Direct Testimony of David N. Porter on behalf of WorldCom, Inc. in Docket No. 960757-TP have been served upon the following parties by Hand Delivery (*) and/or U. S. Mail this 13th day of November, 1997.

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960833-TP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Direct Testimony of David N. Porter on behalf of WorldCom, Inc. in Docket No. 960757-TP have been served upon the following parties by Hand Delivery (*) and/or U. S. Mail this 13th day of November, 1997.

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