

ORIGINAL

1 BELL SOUTH TELECOMMUNICATIONS, INC.
2 REBUTTAL TESTIMONY OF W. KEITH MILNER
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NOS. 980946-TL, 980947-TL, 980948-TL,
5 981011-TL, 981012-TL AND 981250-TL
6 MAY 7, 1999
7

8 Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH
9 BELL SOUTH TELECOMMUNICATIONS, INC.
10

11 A. My name is W. Keith Milner. My business address is 675 West Peachtree
12 Street, Atlanta, Georgia 30375. I am Senior Director - Interconnection
13 Services for BellSouth Telecommunications, Inc. ("BellSouth"). I have
14 served in my present role since February 1996 and have been involved
15 with the management of certain issues related to local interconnection,
16 resale, and unbundling.
17

18 Q. ARE YOU THE SAME W. KEITH MILNER WHO FILED DIRECT
19 TESTIMONY IN THIS PROCEEDING?
20

21 A. Yes.
22

23 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?
24

25 A. I will respond to portions of the testimony of the following witnesses in

1 connection with issues 1, 2, 5, and 6:

2

- 3 • Thomas J. Regan, Covad Communications Company, "Covad"
- 4 • David Nilson, Supra Telecommunications and Information Systems,
- 5 "Supra"
- 6 • James D. Cuckler, ACI Corporation, "ACI"
- 7 • Ron Martinez, WorldCom Technologies, Inc., "WorldCom"
- 8 • James C. Falvey, e.spire Communications, Inc., "e.spire"
- 9 • Michael D. West, Sprint Communications Company Limited Partnership,
- 10 "Sprint"
- 11 • Melissa L. Closz, Sprint
- 12 • Julia O. Strow, Intermedia Communications, Inc., "Intermedia"
- 13 • Ronald W. Beasley, Intermedia
- 14 • Scott Stinson, Teleport Communications Group Inc./TCG South Florida
- 15 "Teleport."

16

17 Q. WHAT IS YOUR OVERALL IMPRESSION OF THE TESTIMONY
 18 OFFERED BY THE ALTERNATIVE LOCAL EXCHANGE COMPANIES'
 19 ("ALECS") WITNESSES?

20

21 A. My general impression is that the proposals of these witnesses are often
 22 not grounded in facts, go beyond the scope of this docket, attempt to
 23 reopen matters previously heard and decided upon by this Commission, or
 24 attempt to assume as factual, matters still at issue at the federal level.
 25 What is at issue in this docket is whether BellSouth has acted reasonably

1 in decisions regarding space availability in a limited number of BellSouth
2 central offices. I believe my rebuttal testimony and that of the other
3 BellSouth witnesses will aid in refocusing the discussion.

4
5 Q. IS THE LACK OF AVAILABILITY OF PHYSICAL COLLOCATION IN A
6 PARTICULAR OFFICE AS SERIOUS AS MR. CUCKLER IMPLIES IN HIS
7 TESTIMONY (PAGE 6, LINES 3-17)?

8
9 A. No. Mr. Cuckler ignores the obvious alternatives available to collocators
10 when physical collocation is not possible in a given central office due to
11 space exhaust. For example, virtual collocation is available such that the
12 collocator can still use its own equipment, facilities, and resources to serve
13 its customers. Other ALECs have chosen virtual collocation instead of
14 physical collocation to deploy similar technology as ACI. This fact gives
15 credibility to the presumption that virtual collocation is in fact a viable
16 alternative to physical collocation. Further, the collocator might choose to
17 resell a BellSouth retail service with equivalent functionality to that offered
18 by the collocator. Mr. Cuckler's suggestion that ACI's entire business plan
19 is thwarted if physical collocation is not available "in even a single central
20 office" is without merit given these other serving alternatives. In addition, I
21 would point out that BellSouth has 206 central offices in Florida and only
22 six (6) are at issue in this proceeding.

23
24 Q. DO YOU AGREE WITH THE COMMENTS OF MR. STINSON IN HIS
25 TESTIMONY CONCERNING THE IMPORTANCE OF PHYSICAL

1 COLLOCATION OR WITH SEVERAL WITNESSES WHO EXPRESS
2 CONCERNS ABOUT VIRTUAL COLLOCATION AS AN ALTERNATIVE
3 TO PHYSICAL COLLOCATION. *STINSON, P. 4-6; CUCKLER, P. 5, L. 5-*
4 *15; FALVEY, P. 2 L.18 – P. 3 L. 20; MARTINEZ, P. 4-8; STROW, P. 14?*

5
6 A. I agree with Mr. Stinson's statement that "physical collocation is an
7 important method of establishing interconnection and accessing
8 unbundled network elements ("UNEs")... [Emphasis added]. However, as
9 noted above, physical collocation is but one of a variety of arrangements
10 which the collocator may elect. Many collocators, for example, are
11 successfully using virtual collocation arrangements to compete with
12 BellSouth. With virtual collocation the competing carrier may still use its
13 own equipment, facilities, and resources to serve its customers. BellSouth
14 merely assumes the maintenance and repair responsibility for the
15 collocated equipment arrangement.

16
17 Many collocators choose virtual collocation over physical collocation for a
18 variety of reasons. First, if planned maintenance or a trouble condition
19 needs attention, all that is required is for the collocator to call an 800
20 number to a centralized facility which is open 24 hours a day, seven (7)
21 days a week. The BellSouth technician creates a trouble ticket that is
22 forwarded to the appropriate BellSouth work group for handling.

23 Depending upon the priority of the trouble ticket (for example, routine
24 maintenance, or an out of service condition), a BellSouth technician
25 performs the needed work during regular business hours or after hours if

1 necessary. While some training on collocator specific equipment is
2 needed, BellSouth's technicians use their basic skills to resolve troubles
3 and perform maintenance. Further, they work cooperatively with their
4 ALEC counterparts to assure that desired work is completed to the
5 ALEC's satisfaction. BellSouth believes this process can work as
6 economically, if not more so, than physical collocation that would require
7 the ALEC to dispatch a technician to the central office.

8
9 BellSouth is required to offer virtual collocation in cases where space is
10 not available for physical collocation. BellSouth offers virtual collocation
11 as a first choice, and does not limit virtual collocation only to those central
12 offices where space is not available for physical collocation.

13
14 Q. ON PAGES 11-15 OF HIS TESTIMONY, MR. MARTINEZ DESCRIBES
15 FIVE GENERAL CATEGORIES OF COLLOCATION: (1) "CAGED"
16 COLLOCATION, (2) "CAGELESS" COLLOCATION, (3) SHARED
17 PHYSICAL COLLOCATION, (4) A "PARKING LOT" SOLUTION AND, (5)
18 VIRTUAL COLLOCATION. SEVERAL OF THE OTHER WITNESSES
19 ALSO DISCUSS THE POSSIBLE USE OF ONE OR MORE OF THESE
20 SAME OPTIONS. *MARTINEZ -PAGE 20, LINES 11-13; CUCKLER -*
21 *PAGES 17-20; STINSON - PAGE 5, LINES 13-14, FALVEY - PAGES 8-*
22 *10; BEASLEY - PAGE 11, LINES 14-23.* DOES BELLSOUTH OFFER
23 EACH OF THESE FIVE CATEGORIES OF COLLOCATION?

24
25 A. BellSouth offers four of the five categories described by Mr. Martinez and

1 is studying the fifth category. BellSouth offers both enclosed and
2 unenclosed physical collocation arrangements within collocation common
3 areas. I believe BellSouth's description of "enclosed" and "unenclosed"
4 physical collocation arrangements is synonymous with Mr. Martinez'
5 phrasing of "caged" and "cageless" physical collocation arrangements. In
6 central offices in a space exhaust situation and, thus, where no additional
7 physical collocation space is available, BellSouth has offered to allow
8 collocators to share a physical collocation arrangement providing, of
9 course, that the original collocator agrees to allow a second collocator the
10 use of a portion of the floor space within that arrangement. Regarding the
11 "parking lot solution", BellSouth is studying the requirements of the
12 Federal Communications Commission's ("FCC's") recent order regarding
13 adjacent collocation arrangements and the like. Lastly, BellSouth offers
14 virtual collocation as a first choice to collocators who prefer virtual
15 collocation arrangements to physical collocation arrangements. By that, I
16 mean that a collocator may request virtual collocation as its first choice,
17 rather than being limited to virtual collocation only in those central offices
18 where physical collocation is not possible due to space exhaustion.

19
20 Q. WHAT IS YOUR UNDERSTANDING OF MR. MARTINEZ' REFERENCE
21 TO "VIRTUAL WITH ALEC EF&I" AS HE DESCRIBES IT ON PAGE 15
22 OF HIS TESTIMONY?

23
24 A. I am uncertain as to Mr. Martinez' intent. The term EF&I commonly refers
25 to Engineer, Furnish, and Install. The EF&I functions for BellSouth

1 equipment as well as collocation equipment are performed by a BellSouth-
2 certified vendor. Since there is no distinction regarding EF&I requirements
3 between virtual and physical collocation, the objective of Mr. Martinez'
4 discussion is unclear. It is possible Mr. Martinez proposes a form of virtual
5 collocation where the collocator is entitled to directly access the collocated
6 equipment for purposes of installation, provisioning, and maintenance.
7 Such an arrangement eliminates any distinction between physical
8 collocation and virtual collocation, and perhaps that is Mr. Martinez' intent.
9 However, the Act clearly delineates between physical collocation and
10 virtual collocation. Virtual collocation provides unique advantages to
11 collocators who prefer it to physical collocation. The commingling of
12 equipment within a given bay of equipment is acceptable with virtual
13 collocation arrangements because network reliability and security are not
14 compromised due to BellSouth's technicians performing maintenance and
15 provisioning activities. To allow the commingling of equipment implied by
16 Mr. Martinez' proposal would degrade network reliability and security.

17
18 Q. ON PAGE 6 OF HER TESTIMONY, MS. CLOSZ STATES HER BELIEF
19 THAT BELLSOUTH HAS AN OBLIGATION TO PROVIDE CAGELESS
20 COLLOCATION ARRANGEMENTS, CEV HUT COLLOCATION, AND
21 SHARED CAGE COLLOCATION. FURTHER, MR. CUCKLER
22 SUGGESTS ON PAGE 17 OF HIS TESTIMONY THAT BELLSOUTH
23 OBJECTS TO SHARING OF COLLOCATION SPACE. DOES
24 BELLSOUTH OFFER EACH OF THESE THREE ARRANGEMENTS?
25

1 A. BellSouth offers two of the arrangements cited by Ms. Closz and is
2 studying the third arrangement. As I pointed out earlier in my testimony,
3 BellSouth offers cageless (that is, unenclosed) physical collocation
4 arrangements in collocation common areas. As to Mr. Cuckler's concerns
5 about sharing, in central offices in a space exhaust situation and, thus,
6 where no additional physical collocation space is available, BellSouth has
7 offered to allow collocators to share a physical collocation arrangement.
8 This presumes, of course, that the original collocator agrees to allow a
9 second collocator the use of a portion of the floor space within that
10 arrangement. BellSouth is concerned about the potential for arbitrage of a
11 scarce resource if subleasing of space were allowed. I believe the third
12 arrangement Ms. Closz describes (that is, CEV hut collocation) is the
13 same concept described by Mr. Martinez as a "parking lot solution".
14 BellSouth is studying the feasibility of such an arrangement.

15
16 Q. DO YOU AGREE WITH MR. CUCKLER'S (PAGES 12-14) AND MR.
17 FALVEY'S (PAGES 8-9) SUGGESTIONS FOR BROADENING THE
18 DEFINITION OF PHYSICAL COLLOCATION?

19
20 A. No. First, there is no need for the definition of physical collocation to
21 embrace common collocation or shared collocation because BellSouth
22 already offers these arrangements. BellSouth believes collocators would
23 not be well served if BellSouth allowed subleasing of collocation (since
24 BellSouth already offers to allow collocators to share collocation
25 arrangements in central offices in a space exhaust situation) as this could

1 lead to a collocator's acquiring collocation space simply to make it
2 available to other collocators at some marked up price. BellSouth takes
3 seriously its role as steward of available space within its central offices
4 and believes that subleasing is neither necessary nor warranted.
5

6 Q. DO YOU AGREE WITH MR. CUCKLER'S CHARACTERIZATION OF
7 ENCLOSED PHYSICAL COLLOCATIONS OF 100 SQUARE FEET AS
8 "WASTEFUL"? (PAGES 15-16)?
9

10 A. No. With regard to the 100 square foot requirement, there is nothing
11 "wasteful" about it as Mr. Cuckler alleges. The requirement was carefully
12 designed to meet the needs of collocators and BellSouth, in accordance
13 with FCC rules as they existed in 1997, and in accordance with relevant
14 safety codes. All collocators signed Interconnection Agreements that
15 incorporated this standard. The pertinent portions of those agreements
16 are attached to this testimony as Rebuttal Exhibit WKM-2.
17

18 Q. DOES BELL SOUTH HAVE ANY CONCERNS ABOUT ADJACENT
19 COLLOCATION AS DESCRIBED BY MR. CUCKLER ON PAGES 20-22
20 OF HIS TESTIMONY?
21

22 A. I am not sure at this time. BellSouth is studying the requirements of the
23 FCC's recent First Report and Order and Further Notice of Proposed Rule
24 Making in CC Docket No. 98-147, FCC 99-48 (Released March 31, 1990)
25 (hereinafter referred to as "Advanced Service Order").

1 Q. DO YOU AGREE WITH MS. STROW'S LIST OF PROPOSED
2 ALTERNATIVE ARRANGEMENTS, THAT IS, COMMON CAGELESS
3 COLLOCATION, SHARED CAGE COLLOCATION, ADJACENT
4 COLLOCATION, AND ENHANCED EXTENDED LINK (PAGES 9-11)?
5

6 A. I have earlier in this testimony discussed BellSouth's offer of common
7 cageless collocation and shared cage collocation. As I stated earlier,
8 BellSouth is studying the issue of adjacent collocation. However, when
9 Ms. Strow includes "Enhanced Extended Link" as a form of collocation, I
10 believe she is taking a giant leap beyond the bounds of this docket. As
11 Intermedia has defined this term in previous proceedings before this
12 Commission, BellSouth's understanding is that the alternative that
13 Intermedia is proposing is a combination of unbundled loop with
14 unbundled interoffice transport. BellSouth provides two different finished
15 services to its customers and these services provide the identical
16 functionality of an unbundled loop combined with interoffice transport. The
17 service can be ordered as a "point-to-point" special access circuit via the
18 access tariff or as MegaLink® service via BellSouth's retail tariffs.

19
20 The Act specifically requires BellSouth to provide requesting carriers with
21 access to unbundled local loops, as well as access to unbundled
22 interoffice transport. Furthermore, the FCC's First Report and Order in
23 Docket 96-325 (Released August 8, 1996) at paragraph 366 lists local
24 loops and interoffice transmission facilities (transport facilities) as separate
25 unbundled network elements that incumbents are required to provide.

1 The instant proceeding is about the availability of space for collocation.
2 Ms. Strow seeks to broaden the scope of the proceeding inappropriately
3 by introducing topics that are not issues in this proceeding. Even her own
4 testimony describes the extended link as an alternative to collocation,
5 rather than as a different form of collocation. By like token, Ms. Strow
6 might also have discussed the topic of service resale in that resale is also
7 an alternative to collocation. Accordingly, Ms. Strow's enhanced extended
8 link proposal should not be considered as an alternative form of
9 collocation.

10

11 Q. THE ALECS' WITNESSES OFFER VARIOUS SUGGESTIONS FOR THE
12 APPROPRIATE FORECAST PERIOD FOR WHICH EQUIPMENT
13 FORECASTS MUST BE JUSTIFIED IN THE FACE OF A COLLOCATION
14 WAIVER REQUEST BY BELL SOUTH. *NILSON, P.7; CUCKLER P. 7-8,*
15 *LINES 18-70; BEASLEY, P. 4-5; MARTINEZ, P. 20, LINE 15; WEST, P.13.*
16 WHAT FORECAST PERIOD DOES BELL SOUTH CONTEND CURRENT
17 REGULATIONS REQUIRE AND IS IT APPROPRIATE FOR
18 CONTINUING USE?

19

20 A. BellSouth believes it would be counterproductive to establish some fixed
21 forecasting period that would be applied to all central offices. Each office
22 has its own set of growth dynamics driven by numerous obvious factors,
23 such as the location of the office (rural, suburban, urban), the market
24 served (residential, office, industrial, etc.), and the historic growth rate
25 (stable, expanding, declining). BellSouth stands ready, in the case of any

1 particular central office, to discuss the reasonableness of the forecasts it
2 adopts. BellSouth's planners are charged with the responsibility of doing
3 the detailed work necessary to establish a reasonable forecast. BellSouth
4 allows itself no more favorable terms regarding forecast horizons than it
5 does for collocators. In general, BellSouth employs a two-year forecast
6 window for itself and collocating carriers.

7
8 Q. SHOULD BELLSOUTH BE REQUIRED TO FURNISH A GROWTH
9 FORECAST AS SUGGESTED BY MR. WEST ON PAGE 13 OF HIS
10 TESTIMONY?

11
12 A. No. BellSouth considers its forecasts to be privileged, private business
13 information. BellSouth is willing to express its forecasts for space in terms
14 of the quantity of bays of equipment and even the type of equipment, but
15 believes that a requirement that BellSouth turn over its detailed forecasts
16 is not reasonable. While BellSouth does require forecasts of collocators'
17 equipment quantities (that is, frames or bays), BellSouth does not require
18 collocators to provide their own detailed forecasts of lines or customers to
19 BellSouth.

20
21 Q. WHAT IS YOUR REACTION TO MR. REGAN'S REPEATED
22 CONJECTURE ON PAGES 7, LINES 4-6, AND PAGES 9, LINES 10-13,
23 THAT SPACE ATTRIBUTED TO SWITCH GROWTH MAY BE
24 OVERSTATED DUE TO AN ALLEGED DECREASING PHYSICAL SIZE
25 OF CIRCUIT EQUIPMENT FOR A GIVEN LEVEL OF FUNCTIONALITY?

1 A. I believe it would be more helpful if Mr. Regan dealt in facts, rather than
2 speculation. Mr. Regan offers no evidence for his repeated assertion that
3 circuit equipment has decreased in size. Even if his assumption were
4 true, there is no assurance that such a trend would continue. Indeed, as
5 Mr. Bloomer will testify, BellSouth has experienced some increases in the
6 size of equipment bays required. Given the relatively short time frames for
7 forecasts being discussed in this docket, that is one to three years, it is
8 irrational to suggest that forecasts for space be based on anything other
9 than current equipment specifications of major suppliers. I would also
10 remind Mr. Regan that building additions and rearrangements will be
11 based on the forecasted needs of collocators as well as BellSouth's own
12 future growth needs.

13
14 Q. MR. NILSON NOTES THAT TAGS IN SOME SPACES IN THE MIAMI
15 PALMETTO OFFICE CONTAINING THE WORDS "3 YEARS GROWTH"
16 OR "5ESS - 4TH YEAR" ARE AN INDICATION OF POSSIBLE
17 PREFERENTIAL TREATMENT OF BELLSOUTH'S NEEDS OVER
18 THOSE OF SUPRA. ARE HIS CONCERNS VALID?

19
20 A. No. This informal labeling of potential space uses does not constitute a
21 firm or final decision on use of the space. BellSouth allows collocators to
22 reserve space for the same planning horizon as used by BellSouth.
23 Collocation needs will be met in accordance with appropriate regulatory
24 rules without regard to informal signage such as that cited by Mr. Nilson.

25

1 Q. WHAT IS YOUR REACTION TO THE VARIOUS PROPOSALS FOR
2 SPACE UTILIZATION SUGGESTED BY VARIOUS WITNESSES, SUCH
3 AS REGAN OF COVAD (PAGES 6-10)?
4

5 A. BellSouth witness Bloomer will address the specifics of each office, but I
6 wish to address the general philosophy advocated by Mr. Regan and
7 others. I am surprised at the variety of proposals that would require
8 BellSouth to relocate computer terminals, close break rooms, eliminate
9 managers' offices, and adopt numerous other measures without giving
10 any consideration to the impact on operational processes, the human
11 needs of BellSouth's employees, the needs of contractors and their
12 employees, the needs of the collocator's employees, the obvious need for
13 staging areas for equipment being installed, and a host of similar factors.
14 The underlying assumption of such suggestions is that only equipment
15 bays, equipment, and cabling should be located in a building containing
16 central office equipment. Such an assumption is absurd on its face.
17 Further, the nature of space planning is not such an exact science that
18 any two planners would agree exactly on how space should be allocated
19 to various functions. BellSouth's building guidelines have evolved in
20 response to a host of factors over years of operation. Nothing in the Act
21 requires them to be ignored. While I agree that BellSouth should not be
22 permitted to arbitrarily move administrative functions into central office
23 buildings for the purpose of blocking use of space for collocation
24 purposes, no witness in this docket has suggested that BellSouth has
25 done so. BellSouth has not and will not adopt such a policy. BellSouth

1 acknowledges that prior to the passage of the Act and the establishment
2 of collocation obligations, there are isolated cases where BellSouth had,
3 for good cause, located work centers within vacant central office space.
4 BellSouth has made available, and will continue to make available, space
5 for collocation in accordance with current FCC orders and state regulatory
6 decisions. The use of space for filing cabinets, administrative areas, and
7 break rooms is legitimate use of central office space. Further, the ALEC's
8 witnesses have in no way addressed the attendant costs and how those
9 costs should be borne if this Commission were to require BellSouth to
10 make such space available to collocators.

11
12 Q. ON PAGES 11-12 OF HIS TESTIMONY, MR. CUCKLER PROPOSES
13 THAT THE REQUIREMENT THAT COLLOCATORS TERMINATE AT A
14 SINGLE POINT OF TERMINATION ("SPOT") BAY IS UNREASONABLE
15 AND CONSUMES POTENTIAL RELOCATION SPACE
16 UNNECESSARILY. WHAT IS YOUR REACTION?

17
18 A. To get to the heart of what Mr. Cuckler proposes, he apparently wants
19 direct access to BellSouth's distributing frames such that collocators can
20 place and remove cross connections. BellSouth opposes such a
21 requirement because of the inherent degradation of network reliability and
22 security. The SPOT bay is used as a point of demarcation between
23 BellSouth's network and the collocator's network and such equipment has
24 been in use, providing such a functionality, for years. If Mr. Cuckler
25 opposes the use of the SPOT bay for establishing such a demarcation

1 point, he should propose an alternative that does not degrade network
2 reliability and security. He has not done so.

3
4 Q. SHOULD BELLSOUTH BE REQUIRED TO REARRANGE ITS
5 EQUIPMENT (I.E. FILL IN PARTIAL LINE-UPS) TO ACCOMMODATE
6 COLLOCATION? *WEST, P. 11, LINES 17-19; CLOSZ, P. 23.*

7
8 A. No. BellSouth's policy is, to the extent possible, to fill in partial line-ups of
9 equipment before establishing new line-ups. This is not always possible,
10 however, due to the types of equipment and inherent technical needs. For
11 example, "holes" in an existing line-up of switching equipment are not
12 suitable places to install transmission equipment because of the
13 differences in grounding required. However, Mr. West apparently hopes
14 that BellSouth can predict with complete accuracy when and where
15 equipment will be placed so that "holes" in line-ups somehow do not
16 occur. Obviously, all requirements for different equipment types do not
17 grow at exactly the same rate, nor does the modularity of framework and
18 other infrastructure required for that equipment exactly coincide.
19 Therefore, it is not always possible to avoid having "holes" in the line-ups,
20 at least for some period of time. To require that BellSouth reconfigure its
21 line-ups to eliminate the possibility of incomplete line-ups would introduce
22 significant risk of service disruption and significant expense. If ordered to
23 reconfigure line-ups, BellSouth would expect to recover the cost of so
24 doing from the requesting collocator.

25

1 Q. IS BELLSOUTH REQUIRED TO CONVERT ADMINISTRATIVE OFFICES
2 IN CENTRAL OFFICE BUILDINGS INTO COLLOCATION SPACES AS
3 PROPOSED BY SEVERAL WITNESSES? *CUCKLER, P.9; CLOSZ, P.11;*
4 *STINSON, PAGE 10, LINES 32-36; BEASLEY, P. 6-7, L. 10-3.*

5
6 A. Absolutely not. The FCC does not require such action, and the Act makes
7 no distinction among the possible legitimate uses of central office space
8 by an incumbent local exchange carrier such as BellSouth. BellSouth
9 believes that the use of central office space for administrative purposes is
10 a legitimate use of such space. BellSouth is not required to lease space
11 or make building additions to accommodate collocation. Neither is
12 BellSouth required to remove or eliminate administrative functions or
13 areas from its central offices in order to accommodate collocation. The
14 suggestion by Ms. Closz (P.12, L. 21-25) that BellSouth be prohibited from
15 reserving any administrative or non-network space for itself is absurd on
16 its face. Central offices house more than just equipment. They also
17 house the people who work on that equipment as well as the tools, files,
18 spare equipment, computers, furniture, restrooms, and break rooms that
19 are all required to operate the network. As I discussed previously in this
20 testimony, BellSouth does not have nor will it institute a policy of arbitrarily
21 moving administrative functions into central office buildings for the
22 purpose of blocking use of space for collocation purposes. Nonetheless,
23 the assertion that only equipment bays, equipment, and cabling should be
24 located in a building containing central office equipment is absurd.

25

1 Q. MR. WEST SUGGESTS (PAGES 7, 19) THAT BELLSOUTH'S
2 MAINTENANCE AND ADMINISTRATION POSITIONS ("MAP") BE
3 CONVERTED TO COLLOCATION SPACE. DO YOU AGREE?
4

5 A. No. The MAP terminals and furniture to which Mr. West refers in Daytona
6 Beach and West Palm Beach are used to monitor, administer, and operate
7 the switching equipment. Even if this Commission were to order BellSouth
8 to remove or eliminate its MAP terminals, to which BellSouth is opposed,
9 there would remain issues of cost recovery required by such
10 rearrangement of this monitoring and administration equipment.
11

12 Q. SEVERAL WITNESSES IMPLY THAT THE SPACE USED FOR
13 EMPLOYEE LOUNGES IS SOMEHOW INEFFICIENT. *NILSON, P.20;*
14 *WEST, P. 5,7,8,10, AND 14; STINSON, P.14, L. 5-10; CUCKLER, P.10, L.*
15 *3-4.* DO YOU AGREE?
16

17 A. No. Obviously, BellSouth wants and needs to be able to attract and retain
18 highly trained, properly motivated employees. BellSouth's working
19 agreement with the Communications Workers of America (CWA)
20 stipulates the length and frequency of "breaks" permitted employees, that
21 is, one fifteen (15) minute relief period during each tour worked (usually
22 three (3) to five (5) hours). The length of time permitted is not sufficient for
23 an employee to drive to a distant location simply to have a place to relax
24 and refresh during the workday. Further, it is apparent that mishaps with
25 food or drink could cause serious damage to equipment and disruption to

1 service if permitted in equipment areas were break areas not available.
2 Mr. Cuckler's suggestion that break rooms be located to other buildings
3 demonstrates the ridiculous lengths to which some would interfere with
4 normal work practices and working conditions.

5
6 Q. SHOULD BELLSOUTH BE REQUIRED TO COMPUTERIZE OR
7 REMOVE ITS PRESENT CIRCUIT CARD FILES OR OTHER FILING
8 SYSTEMS IN ORDER TO FREE UP SPACE FOR PHYSICAL
9 COLLOCATION? *MARTINEZ , P.21, L. 12-18; WEST, P. 9,14,18;*
10 *CUCKLER, P. 10, L. 5-6; NILSON, P. 17-18*

11
12 A. No. Nothing in the Act or the FCC's orders requires such activities simply
13 to accommodate collocation. BellSouth is always interested in using the
14 most efficient work practices. However the "second guessing" of Mr.
15 Martinez and the others as to the best way for BellSouth to perform its
16 work is misguided and intrusive. Here again, I note that the ALEC's
17 witnesses are entirely silent on the issue of cost recovery were such
18 intrusive requirements to be accepted by this Commission.

19
20 Q. WHAT IS YOUR RESPONSE TO A NUMBER OF THE ALECS'
21 WITNESSES THAT BELLSOUTH SUBSIDIARIES ARE RECEIVING
22 FAVORED TREATMENT OR SHOULD BE SUBJECT TO SPECIAL
23 RESTRICTIONS? *NILSON, P. 15; CUCKLER, P. 23, L.23-24; STINSON,*
24 *P. 11.*

1 A. BellSouth denies such assertions. Contrary to Mr. Cuckler's concerns,
2 BellSouth's subsidiaries, as a matter of law, are subject to the same
3 processes as all other companies seeking space. Accordingly, they are
4 subject to the same "first come – first served" procedure proposed by
5 several witnesses and on page 35 of my own direct testimony.

6
7 Mr. Stinson's suggestions for limitations on BellSouth and its subsidiaries
8 are unfair on their face and, although I am not a lawyer, probably illegal.
9 As discussed above, BellSouth Long Distance, for example, has the same
10 rights, but no more, to request space as any other long distance company.
11 As to the 5,000 square feet in the Golden Glades office, BellSouth denied
12 that request by BellSouth Long Distance.

13
14 Q. WHAT IS YOUR RESPONSE TO MR. NILSON'S ASSERTION THAT
15 SPACE ALLEGEDLY BEING USED BY A BELLSOUTH SUBSIDIARY
16 SHOULD BE DEVOTED TO PHYSICAL COLLOCATION USE BY
17 COLLOCATORS (Page 15)?

18
19 A. Mr. Nilson is mistaken. The space and the video equipment that Mr.
20 Nilson apparently saw during his tour is owned by BellSouth (that is,
21 BellSouth Telecommunications, Inc.) and is being used by BellSouth to
22 provide video transport and processing services to its cable affiliate,
23 BellSouth Interactive Media Services, Inc., under contract. This
24 arrangement is in full compliance with state and federal regulatory
25 accounting requirements. Section 651(b) of the Telecommunications Act

1 of 1996 (Act) and its legislative history provide that a local exchange
2 carrier that offers cable service, either directly by itself or through an
3 affiliate, via an integrated cable system utilizing its own telephone
4 exchange facilities shall not be required, pursuant to Title II of the Act, to
5 make transmission capacity or related services available on a
6 nondiscriminatory basis to any other person for the provision of service.
7 This would include central office floor space.

8
9 Q. DO MR. CUCKLER'S SECURITY RECOMMENDATIONS SATISFY
10 BELLSOUTH'S CONCERNS ABOUT THIS ISSUE IN A COMMON
11 COLLOCATION ARRANGEMENT AS ENVISIONED BY ACI (PAGES 16-
12 17, LINES 20-3)?

13
14 A. Possibly. As I stated earlier, BellSouth is studying the requirements of the
15 FCC's recent order. BellSouth takes very seriously its obligation to
16 preserve network security and reliability. BellSouth believes collocators
17 are likewise concerned for network security and reliability.

18
19 Q. DO YOU AGREE WITH MS. CLOSZ'S SECURITY PROPOSALS (PAGE
20 13-14)?

21
22 A. In general, I find no fault with the list of security factors she sets forth.
23 However, I am disturbed by Sprint's position that " in no event should an
24 incumbent LEC be permitted to refuse to provide or delay the provision of
25 any form of physical collocation based solely on security concerns." While

1 I doubt that such a situation would emerge frequently, Sprint's proposal
2 could have the effect of nullifying security measures needed to protect not
3 only BellSouth's equipment, but also the equipment of all collocators in a
4 given central office.

5
6 Q. DO YOU AGREE WITH MR. STINSON THAT BELLSOUTH'S
7 AFFILIATES SHOULD NOT BE ABLE TO RESERVE MORE THAN 25%
8 OF TOTAL COLLOCATION SPACE OR 400 SQUARE FEET (P.10, L. 27-
9 31; PAGE 18, L. 4-11)?

10
11 A. No. As mentioned earlier, the 5000 square feet at one time requested at
12 one point by BellSouth Long Distance was denied. However, I want to
13 establish that any such restrictions should not become a part of any
14 review process in dealing with office exhaust situations. I believe such
15 requirements suggested by Mr. Stinson would be found to be arbitrary and
16 discriminatory. Any party entitled to collocation should be free to request
17 whatever space it can utilize within the reasonable forecast period and to
18 be served on a first come, first served basis should space limitations
19 occur.

20
21 Q. PLEASE COMMENT ON THE VARIOUS PROPOSALS FOR THE
22 PROCESS AND DECISION PERIOD WHEN SPACE BECOMES
23 AVAILABLE IN A CENTRAL OFFICE WHERE SPACE WAS
24 PREVIOUSLY UNAVAILABLE? FALVEY, P.4 AND P.6; STROW, P. 15-
25 16; MARTINEZ, P. 23-24.

1 A. BellSouth agrees with the ALECS' witnesses who assert the first come,
2 first served rule should apply. BellSouth maintains a waiting list in order of
3 request receipt date to facilitate the allocation of available space on a first
4 come, first served basis. BellSouth recognizes that circumstances could
5 change during the passage of time following a collocater's original
6 application for collocation space in a particular office. Establishing a
7 period of time for reconsideration of a corporate decision is reasonable.
8 The various proposals range from undefined to three (3) days to thirty (30)
9 days. BellSouth has no firm position on this issue although BellSouth's
10 current procedures allow for up to a 30-day review period. However, the
11 period of time should be such that the decision process does not
12 unreasonably delay companies that ultimately occupy the space.

13
14 Q. DO YOU AGREE WITH MR. MARTINEZ' RECOMMENDATION THAT
15 ALL CONDITIONAL SPACE IDENTIFIED IN THE STAFF AUDIT AND
16 ALL SPACE IDENTIFIED AS TOO SMALL IN THE STAFF AUDIT BE
17 MADE AVAILABLE FOR PHYSICAL COLLOCATION (PAGE 20, LINES
18 11-13)?

19
20 A. Absolutely not. Such a global conclusion would be highly inappropriate.
21 The staff audit was performed prior to the release of the FCC's Advanced
22 Services Order, and the staff may decide to review its audit findings in
23 light of the FCC's order. Further, BellSouth has responded to most or all
24 of the staff 's requests for information. Even if staff decides to revisit its
25 audit findings, I believe a case-by-case analysis is appropriate rather than

1 the "shotgun" approach suggested by Mr. Martinez.

2

3 Q. DID BELLSOUTH FORCE ACI OR E.SPIRE TO APPLY FOR VIRTUAL
4 COLLOCATION IN FLORIDA? *CUCKLER, P.5. Lines21-23; FALVEY P.*
5 *3,L. 25.*

6

7 A. Absolutely not. BellSouth offers a variety of collocation arrangements that
8 may vary in availability from office to office. The exhaust of space in a
9 particular office impacts both BellSouth and collocators. Nothing in the
10 Act requires BellSouth to always have spare space available. Therefore,
11 in an imperfect world, collocators are free to choose among available
12 offerings or even propose other arrangements, which will be considered
13 using such factors as technical feasibility, security issues, and the like.
14 Finally, collocators remain free to construct their own facilities if available
15 resale or collocation options do not meet their needs.

16

17 Q. DO YOU AGREE THAT COLLOCATORS SHOULD BE ABLE TO
18 CONVERT EXISTING VIRTUAL COLLOCATION ARRANGEMENTS TO
19 PHYSICAL COLLOCATION ARRANGEMENT AS SUGGESTED BY MR.
20 FALVEY ON PAGE 4, PAGE 6, AND PAGE 10 OF HIS TESTIMONY AND
21 TO SOME DEGREE BY MS. STROW ON PAGE 15 OF HER
22 TESTIMONY AND BY MR. STINSON ON PAGE 19 OF HIS
23 TESTIMONY?

24

25 A. No. Existing virtual collocation arrangements were ordered in good faith

1 under the terms and conditions contained in BellSouth's tariff. Should a
2 collocator desire to reconfigure its collocation arrangements in the light of
3 changing circumstances, it should certainly be permitted to do so.
4 Conversion costs, however, should be borne by the collocator. I do not
5 agree with Mr. Falvey's assertion that the recent FCC Advanced Services
6 Order implies an immediate conversion of existing virtual collocation
7 arrangements to physical collocation arrangements. Paragraphs 42-44 of
8 that order merely discuss the general requirements for physical
9 collocation. Nor do I agree with Mr. Stinson's assertion that BellSouth
10 should be responsible for all costs of such conversion. Further, I believe
11 Mr. Falvey overstates the Order's meaning when he says, "a LEC cannot
12 designate what portions of its central offices are and are not available for
13 collocation." Absent a showing to the contrary, it must be assumed that
14 the FCC continues to recognize the differences between virtual and
15 physical collocations, including the terms and conditions under which
16 either would be offered. It must also be assumed that all parties entered
17 into agreements for virtual collocation in good faith after consideration of
18 individual corporate needs. BellSouth is not omniscient and cannot
19 perfectly predict the future. Should new circumstances trigger a need to
20 revisit earlier decisions, the cost of any changes should be borne by the
21 party desiring them.

22
23 Q. PLEASE COMMENT ON THE VARIOUS PROPOSALS FOR REDUCING
24 THE MINIMUM SQUARE FOOTAGE REQUIREMENTS FOR CAGED
25 COLLOCATION SPACE. *FALVEY, P 9 AND P. 11, LINES 1-14; CLOSZ,*

1 P. 15.

2

3 A. The proposals for reducing the current 100 square foot minimum for
4 enclosed collocation space to 50 or even 25 square feet or less are, in my
5 view, impractical, particularly in light of the building and safety codes. In
6 his testimony, Mr. Falvey incorrectly cited paragraph 43 of the Order as
7 containing minimum size requirements for cages. The requirements
8 outlined in paragraph 43 clearly apply to cageless collocation
9 arrangements. In fact, the Order does not address caged collocation
10 minimum size requirements. Additionally, I find it interesting that neither
11 e.spire nor Sprint have requested the minimum-size 100 square foot
12 enclosure, instead opting for much larger enclosures. Hence, Mr. Falvey's
13 assertion that e.spire has been "forced by BellSouth to secure at least 100
14 square feet of collocation space" is unfounded. Additionally, despite Mr.
15 Falvey's claims, BellSouth has offered the option of unenclosed (cageless)
16 physical collocation common areas with no minimum space requirement
17 since 1996.

18

19 Q. DO YOU AGREE WITH MR. MARTINEZ' INTERPRETATION OF THE
20 FCC'S DEFINITION OF THE TERM "PREMISES" (PAGES 8-9)?

21

22 A. No. As I set forth in my direct testimony, I do not believe the FCC's
23 Advanced Services Order changed the definition of "premises."
24 Interestingly, Mr. Martinez and I both quote the same definition of
25 "premises" from the FCC's Order 96-325. It is pointless to argue whether

1 it is broad or narrow; it is what it is. Further, had the FCC intended to
2 revise the definition, it would have specifically done so in its Advanced
3 Services Order. Paragraphs 39 to 45 of that order referenced by Mr.
4 Martinez do not disturb the plain definition of "premises" set forth in the
5 FCC's Order 96-325 but rather must be read within its meaning.

6
7 Q. SHOULD BELLSOUTH BE DIRECTED TO PURSUE WAIVERS OF
8 VARIOUS LOCAL GOVERNMENTAL BUILDING CODE REGULATIONS
9 IN ORDER TO FACILITATE THE DEVELOPMENT OF PHYSICAL
10 COLLOCATION SPACE AS SUGGESTED BY MR. MARTINEZ ON PAGE
11 22 OF HIS TESTIMONY?

12
13 A. As I set forth on pages 12-14 of my direct testimony, BellSouth has been
14 pursuing waivers with various local governments and building code
15 interests which would accommodate physical collocation needs.
16 Commission action is not needed. What may be needed as the process
17 evolves is the cooperation and active support of affected collocators.

18
19 Q. DO YOU HAVE ANY COMMENTS ON MR. MARTINEZ' CONCLUDING
20 REMARKS ABOUT COLLOCATION (PAGE 24)?

21
22 A. In general, I agree with Mr. Martinez' thought that collocation is the means
23 to an end for collocators rather than a goal in and of itself. However,
24 BellSouth believes that the question of who pays for the impact of
25 collocators' growth needs to be seriously considered. Collocators should

1 finance their own growth. Further, the Incumbent Local Exchange
2 Carriers, such as BellSouth, should not be required to invest in facilities or
3 space for collocators without reasonable assurance that appropriate cost
4 recovery mechanisms are in place.

5

6 Q. DO YOU AGREE THAT ALL OFFICES SHOULD BE SCANNED BY
7 SEPTEMBER 18, 1999, IN ACCORDANCE WITH THE FCC'S
8 ADVANCED SERVICES ORDER AS PROPOSED BY MR. STINSON
9 (PAGE 18, LINES 12-19)?

10

11 A. No. The FCC's Order does not specify a timeframe within which such a
12 review is to be performed. BellSouth will move swiftly to implement
13 measures that enable compliance with the FCC's final rules. While
14 BellSouth does not currently possess or maintain a comprehensive
15 inventory of central office space allocation, to arbitrarily establish a six-
16 month window to complete such activities in one of nine states in which
17 BellSouth does business is unreasonable. Instead, BellSouth will
18 establish an inventory schedule on a regional basis to facilitate the
19 availability of regional data as quickly as possible. It is entirely possible
20 that parties may seek a stay of portions of the order or could seek
21 clarification or reconsideration of parts of the order. BellSouth will comply
22 with any final, unappealable requirements of the FCC's order.

23

24 Q. HAS BELLSOUTH SUGGESTED THAT COLLOCATORS MUST
25 REAPPLY FOR AVAILABLE SPACE, THUS RESTARTING THE 30-DAY

1 CLOCK? STINSON, P. 18, L. 20-24.

2
3 A. As my direct testimony stated, BellSouth proposes to review all requests
4 in the original order received and to offer the available space immediately,
5 on a first come, first served basis. BellSouth has not, however, analyzed
6 the technical requirements of applications submitted for offices where it
7 had filed a petition for waiver. Such analysis was unnecessary at the time
8 the original requests were received, given that BellSouth did not have
9 adequate space to immediately fulfill these requests. Additionally,
10 BellSouth has refunded all application fees paid for requests for these
11 locations. Hence, BellSouth has not performed the necessary review and
12 planning to accommodate collocation arrangements.

13
14 Q. DOES BELLSOUTH HAVE SPACE REQUIRING "LIBERATION" AS
15 SUGGESTED BY MR. BEASLEY IN PAGES 3 AND 5 OF HIS
16 TESTIMONY?

17
18 A. No. The use of such language implies that BellSouth has somehow been
19 holding space hostage for some unstated purpose. BellSouth offered all
20 available space that it believed could accommodate physical collocation
21 as defined by existing requirements. BellSouth will review any space
22 requests that were denied in the light of the FCC's Advanced Services
23 Order when it becomes final. Should additional space become available
24 as a result of that review, it will be offered up on a "first come, first served"
25 basis or as directed by this Commission.

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2

3 A. Yes.

ACI

Schedule of Rates and Charges

<u>Rate Element Description</u>	<u>Type of Charge</u>	<u>Charge</u>
Application Fee	NRC (per Arrangement, per C.O.)	\$3,850.00
Subsequent Application Fee (Note 1) No greater than \$1,600.00	NRC (per Arrangement, per C.O.)	ICB
Space Preparation Fee (Note 2)	NRC (per Arrangement, per C.O.)	ICB
Space Enclosure Construction Fee (Note 2)	NRC (per Arrangement, per C.O.)	\$4500.00
Additional Engineering Fee (Note 3)	NRC	ICB
Cable Installation	NRC (per entrance cable)	2,750.00
Floor Space	RC (per square foot)	\$7.50
Power	RC (per amp)	\$5.00
Cable Support structure	RC (per entrance cable)	\$13.35
Cross-Connects		
2-wire	RC (per cross-connect)	\$0.30
4-wire	RC (per cross-connect)	\$0.50
DS1	RC (per cross-connect)	\$8.00
DS3	RC (per cross-connect)	\$72.00
2-wire	NRC (first cross-connect)	\$19.20
4-wire	NRC (first cross-connect)	\$19.20
DS1	NRC (first cross-connect)	\$155.00
DS3	NRC (first cross-connect)	\$155.00
2-wire	NRC (each additional cross-connect)	\$19.20
4-wire	NRC (each additional cross-connect)	\$19.20
DS1	NRC (each additional cross-connect)	\$27.00
DS3	NRC (each additional cross-connect)	\$27.00
POT Bay		
2-wire	RC (per cross-connect)	\$0.40
4-wire	RC (per cross-connect)	\$1.20
DS1	RC (per cross-connect)	\$1.20
DS3	RC (per cross-connect)	\$8.00
Additional Security Access Cards	NRC-ICB (each)	\$10.00

Schedule of Rates and Charges (cont.)

<u>Rate Element Description</u>	<u>Type of Charge</u>	<u>Charge</u>
Direct Connection (Note 4)		
(1) Fiber Arrangement	RC (per cable, per linear foot)	\$0.06
-with Initial Application	NRC (per Arrangement)	n/a
-Subsequent to Application	NRC (per Arrangement)	\$246.00
(2) Copper or Coaxial Arrangement	RC (per cable, per linear foot)	\$0.03
-with Initial Application	NRC (per Arrangement)	n/a
-Subsequent to Application	NRC (per Arrangement)	\$246.00
Security Escort		
Basic - first half hour	NRC-ICB	\$41.00
Overtime - first half hour	NRC-ICB	\$48.00
Premium - first half hour	NRC-ICB	\$55.00
Basic - additional half hour	NRC-ICB	\$25.00
Overtime - additional half hour	NRC-ICB	\$30.00
Premium - additional half hour	NRC-ICB	\$35.00

Notes

- NRC: Non-recurring Charge - one-time charge
- RC: Recurring Charge - charged monthly
- ICB: Individual Case Basis - one-time charge

- (1) Subsequent Application Fee. BellSouth requires the submission of an Application Fee for modifications to an existing arrangement. However, when the modifications do not require BellSouth to expend capital, BellSouth will assess the Subsequent Application Fee in lieu of the Application Fee. Proposed modifications that could result in assessment of a Subsequent Application Fee would cause BellSouth to analyze the following but are not limited to: floor loading changes, changes to HVAC requirements, power requirement changes which may result in a power plant upgrade, environmental or safety requirements, or equipment relocation.
- (2) Space Preparation Fee. The Space Preparation Fee is a one-time fee, assessed per arrangement, per location. It recovers costs associated with the shared physical collocation area within a central office, which include survey, engineering, design and building modification costs. BellSouth will pro rate the total shared space preparation costs among the collocators at each location based on the amount of square footage occupied by each collocator. This charge may vary depending on the location and the type of arrangement requested.

Schedule of Rates and Charges (cont.)

Notes (cont.)

- (2) (cont.)
Space Enclosure Construction Fee. The Space Enclosure Construction Fee is a one-time fee, assessed per enclosure, per location. It recovers costs associated with providing an optional equipment arrangement enclosure, which include architectural and engineering fees, materials, and installation costs. This fee is assessed in fifty (50) square-foot increments, with a minimum space enclosure size of one hundred (100) square feet. ACI may, at its option, arrange with a BellSouth certified contractor to construct the space enclosure in accordance with BellSouth's guidelines and specifications. In this event, the contractor shall directly bill ACI for the space enclosure, and this fee shall not be applicable.
- (3) Additional Engineering Fee. BellSouth's engineering and other labor costs associated with establishing the Physical Collocation Arrangement shall be recovered as Additional Engineering charges, under provisions in BellSouth's FCC Number 1 Tariff, Sections 13.1 and 13.2. An estimate of the Additional Engineering charges shall be provided by BellSouth in the Application Response.
- (4) Direct Connection. As stated in Article I.B of the Collocation Agreement, ACI may directly connect to other Interconnectors within the designated Central Office in addition to, and not in lieu of, interconnection to BellSouth services and facilities. ACI must use a Certified Vendor to place the direct connection. The Direct Connection NRC is assessed when direct connection is the only work requested by ACI. If any other work in addition to the direct connection is being requested, whether for an initial installation of a Collocation Space or for an augmentation to an existing Collocation Space, an Application Fee or a Subsequent Application Fee will be assessed in lieu of the Direct Connection NRC. Construction charges may also apply; BellSouth shall provide an estimate of these charges in the Application Response.

DIECA (d/b/a Covad)

caused to the Collocation Space by DIECA's employees, agents or representatives during the removal of such property shall be promptly repaired by DIECA at its expense.

3.10 Alterations. In no case shall DIECA or any person acting on behalf of DIECA make any rearrangement, modification, improvement, addition, repair, or other alteration to the Collocation Space or the BellSouth Central Office without the written consent of BellSouth, which consent shall not be unreasonably withheld. The cost of any such specialized alterations shall be paid by DIECA.

4. ORDERING AND PREPARATION OF COLLOCATION SPACE

4.1 Application for Space. DIECA shall submit to BellSouth a complete and accurate Application and Inquiry document, together with payment of the Application Fee as stated in Exhibit A. The Application shall contain a detailed description and schematic drawing of the equipment to be placed in DIECA's Collocation Space(s) and an estimate of the amount of square footage required.

4.1.1 Application Response. The Parties recognize that DIECA intends to initially submit up to sixty (65) applications for space. BellSouth will examine the applications submitted by DIECA and will respond to the applications as follows:

4.1.1.1 For the applications for central offices where a common area is constructed, where local building code allows an unenclosed arrangement, and space is available within the common area, BellSouth will use best efforts to respond to these applications within 45 days but in any case in no longer than 60 days.

4.1.1.2 For the applications for central offices where common area construction is not complete or where no common area has been constructed and space is available within the central office, BellSouth will use best efforts to respond to these applications within 60 days but in any case in no longer than 90 days.

4.1.1.3 For additional applications submitted by DIECA, BellSouth will respond within thirty (30) days for up to five (5) applications within the same state submitted within fifteen days. If DIECA submits more than five (5) applications within the same state within fifteen (15) days, then in order to process these applications in the most timely and efficient manner possible, BellSouth and DIECA will negotiate in good faith a prioritization of the requests and a reasonable response time frame under which BellSouth will respond to DIECA's collocation applications. All negotiations shall consider the total volume from all requests from telecommunications companies for collocation, whether any of the Central Offices in question have already been built out to accommodate other collocators, DIECA's business need for particular Central Offices, and the rate of exhaustion of space for particular Central Offices.

4.1.1.4 Should BellSouth determine that the amount of space requested by DIECA is not available, BellSouth will advise DIECA prior to the application response. When the amount of space available is less than that requested by DIECA or differently configured, DIECA has the option of applying for this space by amending its application to reflect the actual space available. Where the request has been for an enclosed space, the amended application shall be for the actual space available rounded down to the nearest 50 square foot increment. In the aforementioned situation, DIECA will not

DIECA (d/b/a Covad)

4.8 Basic Telephone Service. Upon request of DIECA, BellSouth will provide basic telephone service to the Collocation Space under the rates, terms and conditions of the current tariff offering for the service requested.

4.9 Space Preparation. BellSouth shall pro rate the costs of any renovation or upgrade to Central Office space or support mechanisms which is required to accommodate physical collocation. DIECA's pro rated share will be calculated by multiplying such cost by a percentage equal to the amount of square footage occupied by DIECA divided by the total Central Office square footage receiving renovation or upgrade. For this section, support mechanisms provided by BellSouth may include, but not be limited to heating/ventilation/air conditioning (HVAC) equipment, HVAC duct work, cable support structure, fire wall(s), mechanical upgrade, asbestos abatement, ground plane addition, or separate ingress/egress construction. Such renovation or upgrade will be evaluated and the charges assessed on a per Central Office basis. BellSouth will reimburse DIECA in an amount equal to DIECA reasonable, demonstrative and mitigated expenditures incurred as a direct result of delays to the completion and turnover dates caused by BellSouth.

4.10 Space Enclosure. Upon request of DIECA, BellSouth shall construct an equipment arrangement enclosure of a size and dimension jointly agreed upon by the Parties. DIECA may request enclosed floor space in increments of fifty (50) square feet, with a minimum of one hundred (100) square feet. DIECA may, at its option, arrange with a BellSouth certified contractor to construct the space enclosure in accordance with BellSouth's guidelines and specifications. Such contractor shall directly bill DIECA for activities associated with the space enclosure construction. DIECA must provide the local BellSouth building contact with a card, key or other access device used to enter the locked enclosure. Except in case of emergency, BellSouth will not access DIECA's locked enclosure prior to notifying DIECA .

4.11 Virtual Collocation Transition. To the extent space becomes available, DIECA may transition its virtual collocation arrangements to physical collocation arrangements and pay the appropriate non-recurring fees for physical collocation and for the rearrangement or reconfiguration of services terminated in the virtual collocation arrangement. DIECA must arrange with a BellSouth certified vendor for the relocation of equipment from its virtual collocation space to its physical collocation space and will bear the cost of such relocation.

4.12 Cancellation. If DIECA cancels its order for the Collocation Space(s), DIECA will reimburse BellSouth for any expenses incurred up to the date that written notice of the cancellation is received. In no event will the level of reimbursement under this paragraph exceed the maximum amount DIECA would have otherwise paid for work undertaken by BellSouth if no cancellation of the order had occurred.

5. RATES AND CHARGES

5.1 Non-recurring Fees. In addition to the Application Fee referenced in Section 4, preceding, DIECA shall remit payment of a Cable Installation Fee, Space Construction Fee, as applicable, and one-half (1/2) of the estimated Space Preparation Fee coincident with submission of a Bona Fide Firm Order. The outstanding balance of the actual Space Preparation Fee shall be due thirty (30) days following DIECA's receipt

DIECA (d/b/a Covad)

BellSouth Telecommunications, Inc.
 FPSC Docket Nos. 980946-TL, 980947-TL,
 980948-TL, 981011-TL, 981012-TL & 981250-TL
 Exhibit WKM-2, Page 6 of 30

Schedule of Rates and Charges

<u>Rate Element Description</u>	<u>Type of Charge</u>	<u>Charge</u>	
Application Fee	NRC (per Arrangement, per C.O.)	\$3,850.00	
Subsequent Application Fee (Note 1) No greater than \$1,600.00	NRC (per Arrangement, per C.O.)	ICB	
Space Preparation Fee (Note 2)	NRC (per Arrangement, per C.O.)	ICB	
Space Enclosure Construction Fee (Note 2)	NRC (per Arrangement, per C.O.)	\$4500.00	
Additional Engineering Fee (Note 3)	NRC	ICB	
Cable Installation	NRC (per entrance cable)	2,750.00	
Floor Space	RC (per square foot)	\$7.50	
Power	RC (per amp)	\$5.00	
Cable Support structure	RC (per entrance cable)	\$13.35	
Cross-Connects	2-wire	RC (per cross-connect)	\$0.30
	4-wire	RC (per cross-connect)	\$0.50
	DS1	RC (per cross-connect)	\$8.00
	DS3	RC (per cross-connect)	\$72.00
	2-wire	NRC (first cross-connect)	\$19.20
	4-wire	NRC (first cross-connect)	\$19.20
	DS1	NRC (first cross-connect)	\$155.00
	DS3	NRC (first cross-connect)	\$155.00
	2-wire	NRC (each additional cross-connect)	\$19.20
	4-wire	NRC (each additional cross-connect)	\$19.20
	DS1	NRC (each additional cross-connect)	\$27.00
	DS3	NRC (each additional cross-connect)	\$27.00
POT Bay	2-wire	RC (per cross-connect)	\$0.40
	4-wire	RC (per cross-connect)	\$1.20
	DS1	RC (per cross-connect)	\$1.20
	DS3	RC (per cross-connect)	\$8.00
Additional Security Access Cards	NRC-ICB (each)	\$10.00	

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BellSouth Telecommunications, Inc.
FPSC Docket Nos. 980946-TL, 980947-TL,
980948-TL, 981011-TL, 981012-TL & 981250-TL
Exhibit WKM-2, Page 7 of 30

Schedule of Rates and Charges (cont.)

<u>Rate Element Description</u>	<u>Type of Charge</u>	<u>Charge</u>
Direct Connection (Note 4)		
(1) Fiber Arrangement	RC (per cable, per linear foot)	\$0.06
-with Initial Application	NRC (per Arrangement)	n/a
-Subsequent to Application	NRC (per Arrangement)	\$246.00
(2) Copper or Coaxial Arrangement	RC (per cable, per linear foot)	\$0.03
-with Initial Application	NRC (per Arrangement)	n/a
-Subsequent to Application	NRC (per Arrangement)	\$246.00
Security Escort		
Basic - first half hour	NRC-ICB	\$41.00
Overtime - first half hour	NRC-ICB	\$48.00
Premium - first half hour	NRC-ICB	\$55.00
Basic - additional half hour	NRC-ICB	\$25.00
Overtime - additional half hour	NRC-ICB	\$30.00
Premium - additional half hour	NRC-ICB	\$35.00

Notes

NRC: Non-recurring Charge - one-time charge
RC: Recurring Charge - charged monthly
ICB: Individual Case Basis - one-time charge

- (1) Subsequent Application Fee. BellSouth requires the submission of an Application Fee for modifications to an existing arrangement. However, when the modifications do not require BellSouth to expend capital, BellSouth will assess the Subsequent Application Fee in lieu of the Application Fee. Proposed modifications that could result in assessment of a Subsequent Application Fee would cause BellSouth to analyze the following but are not limited to: floor loading changes, changes to HVAC requirements, power requirement changes which may result in a power plant upgrade, environmental or safety requirements, or equipment relocation.
- (2) Space Preparation Fee. The Space Preparation Fee is a one-time fee, assessed per arrangement, per location. It recovers costs associated with the shared physical collocation area within a central office, which include survey, engineering, design and building modification costs. BellSouth will pro rate the total shared space preparation costs among the collocators at each location based on the amount of square footage occupied by each collocator. This charge may vary depending on the location and the type of arrangement requested.

DIECA (d/b/a Covad)

BellSouth Telecommunications, Inc.
FPSC Docket Nos. 980946-TL, 980947-TL,
980948-TL, 981011-TL, 981012-TL & 981250-TL
Exhibit WKM-2, Page 8 of 30

Schedule of Rates and Charges (cont.)

Notes (cont.)

- (2) (cont.)
Space Enclosure Construction Fee. The Space Enclosure Construction Fee is a one-time fee, assessed per enclosure, per location. It recovers costs associated with providing an optional equipment arrangement enclosure, which include architectural and engineering fees, materials, and installation costs. This fee is assessed in fifty (50) square-foot increments, with a minimum space enclosure size of one hundred (100) square feet. DIECA may, at its option, arrange with a BellSouth certified contractor to construct the space enclosure in accordance with BellSouth's guidelines and specifications. In this event, the contractor shall directly bill DIECA for the space enclosure, and this fee shall not be applicable.
- (3) Additional Engineering Fee. BellSouth's engineering and other labor costs associated with establishing the Physical Collocation Arrangement shall be recovered as Additional Engineering charges, under provisions in BellSouth's F.C.C. Number 1 Tariff, Sections 13.1 and 13.2. An estimate of the Additional Engineering charges shall be provided by BellSouth in the Application Response.
- (4) Direct Connection. As stated in Article I.B of the Collocation Agreement, DIECA may connect to other DIECAs within the designated Central Office in addition to, and not in lieu of, interconnection to BellSouth services and facilities. DIECA must use its Certified Vendor to place the direct connection. The Direct Connection NRC is assessed when direct connection is the only work requested by DIECA. If any other work in addition to the direct connection is being requested, whether for an initial installation of a Collocation Space or for an augmentation to an existing Collocation Space, an Application Fee or a Subsequent Application Fee will be assessed in lieu of the Direct Connection NRC. Construction charges may also apply; BellSouth shall provide an estimate of these charges in the Application Response.

ICI

Rates for Physical Interconnection

Rate Element	Application/Description	Type of Charge	Rate
Application Fee	Applies per arrangement per location	Nonrecurring	Tariff Rates (Same as Virtual)
Space Preparation Fee	Applies for survey and design of space, covers shared building modification costs	Nonrecurring	ICB - See Note 1 Will not be less than \$1800 - not to exceed \$8500 unless HVAC or power plant upgrade. If so, rates to be ICB.
Space Construction Fee	Covers materials and construction of optional cage in 100 square foot increments	Nonrecurring	\$29,744.00 See Note 2
Cable Installation Fee	Applies per entrance cable	Nonrecurring	Tariff Rates (Same as Virtual)
Floor Space	Per square foot, for Zone A and Zone B offices respectively	Monthly Recurring	\$7.50 / \$6.75 - See Note 3
Power	Per ampere based on manufacturer's specifications	Monthly Recurring	\$5.14 per ampere
Cable Support Structure	Applies per entrance cable	Monthly Recurring	\$13.35 per cable
POT Bay	Optional Point of Termination bay; rate is per DS1/DS3 cross-connect respectively	Monthly Recurring	\$1.20 / \$5.00 See Note 4
Cross-Connects	Per DS1/DS3 respectively	Monthly Recurring	\$8.00 / \$72.48
Security Escort	First and additional half hour increments, per tariff rate in Basic time (B), Overtime (O) and Premium time (P)	As Required	\$41.00 / \$25.00 B \$48.00 / \$30.00 O \$55.00 / \$35.00 P

- Note 1: Will be determined at the time of the application based on building and space modification requirements for shared space at the requested CO
- Note 2: Applies only to collocators who wish to purchase a steel-gauge cage enclosure. Carriers may also pay \$330.00 per square foot for the first 100 square feet and \$242.00 for each additional 100 square feet in the same CO in lieu of space preparation and construction fees. This option does not apply where HVAC, power plant or both upgrade is required.
- Note 3: See attached list for Zone A offices as of May 1996. This list will be amended monthly.
- Note 4: Applies when collocator does not supply their own POT bay.

MCIIm (Florida)

AMENDMENT ONE DATED MAY 28, 1998
TO
MCIIm/BELLSOUTH INTERCONNECTION AGREEMENT
DATED JUNE 19, 1997

MCImetro Access Transmission Services, Inc. ("MCIIm") and BellSouth Telecommunications, Inc. ("BellSouth"), hereinafter referred to collectively as the "Parties," hereby agree to amend the MCIIm/BellSouth Interconnection Agreement dated June 19, 1997 ("Interconnection Agreement") pursuant to the Order of the Florida Public Service Commission issued on April 29, 1998 which establishes the recurring and non-recurring rates for certain unbundled network elements (UNEs).

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MCIIm and BellSouth hereby covenant and agree as follows:

1. Based on the Order issued by the Florida Public Service Commission on April 29, 1998 in Docket No. 960757, 960833, 960846, the final rates for certain rate elements which were previously ordered as interim, pending filing of cost studies, were ordered by the Florida Public Service Commission. The rates as ordered are set forth in the Rate Tables attached hereto and incorporated herein as Exhibit A consisting of three pages delineating the recurring and non-recurring charges for:
 - a) Network Interface Device (NID) ;
 - b) 2 wire and 4-wire loop distribution;
 - c) 2-wire ADSL-compatible loop;
 - d) 2-wire and 4-wire HDSL-compatible loop;
 - e) Physical collocation;
 - f) Virtual collocation
 - g) Directory Assistance
 - h) Dedicated Transport;
 - i) 4-wire analog port

2. Attachment I of the Florida Interconnection Agreement is hereby amended to incorporate the final rates for those certain rate elements that were originally ordered as interim as set forth in Exhibit A of this Amendment.

3. All of the other provisions, including all other rates listed in Attachment I of the Florida Interconnection Agreement, dated June 19, 1997, shall remain in full force and effect.

ORIGINAL

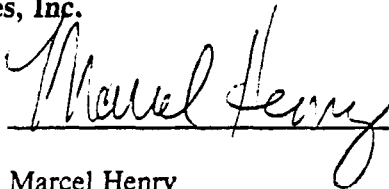
MCIIm (Florida)

4. Either or both of the Parties shall submit this Amendment to the Florida Public Service Commission on or before May 29, 1998 as ordered by the Florida Public Service Commission. However, the Parties acknowledge that the terms and/or rates of this Amendment were established pursuant to the afore-referenced Order of the Florida Public Service Commission. Any or all of the terms or rates of this Amendment may be altered or abrogated by a successful challenge to the Amendment and/or the Order requiring the Amendment and/or any order approving this Amendment as permitted by applicable law. By signing this Amendment, neither Party waives any right to pursue such a challenge.
5. Either or both of the Parties shall submit this Amendment to the Florida Public Service Commission or other regulatory body having jurisdiction over the subject matter of this Amendment, for approval subject to Section 252(e) of the federal Telecommunications Act of 1996.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

MCImetro Access Transmission
Services, Inc.

By:

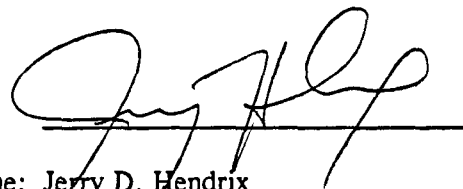


Name: Marcel Henry
Title: Regional Vice President

Date: May 28, 1998

BellSouth Telecommunications, Inc.

By:



Name: Jerry D. Hendrix
Title: Director-Interconnection Services-
Pricing

Date: 5-28-98

MCIIm (Florida)
BELLSOUTH/MCI RATES - FLORIDA
UNBUNDLED NETWORK ELEMENTS

BellSouth Telecommunications, Inc.
 FPSC Docket Nos. 980946-TL, 980947-TL,
 980948-TL, 981011-TL, 981012-TL & 981250-TL
 Exhibit WKM-2, Page 12 of 30

NIDs	
NID, per month	\$1.08
Installation of 2-Wire/4-Wire ALEC NID, NRC - 1st	\$70.32
Installation of 2-Wire/4-Wire ALEC NID, NRC - Add'l	\$54.35
NID to NID Cross Connect, 2-Wire or 4-Wire, NRC	\$6.15
LOOP, INCLUDING NID	
2-Wire Asymmetrical Dig Sub Line (ADSL)/Compatible Loop, per mo	\$15.81
NRC - 1 st	\$113.85
NRC - Add'l	\$99.61
2-Wire High Bit Rate Dig Sub Line (HDSL)/Compatible Loop, per mo	\$12.12
NRC - 1 st	\$113.85
NRC - Add'l	\$99.61
4-Wire High Bit Rate Dig Sub Line (HDSL)/Compatible Loop, per mo	\$18.24
NRC - 1 st	\$116.91
NRC - Add'l	\$101.71
SUB-LOOPS	
Loop Distribution per 2-Wire Analog VG Loop (Incl NID), per month	\$8.57
NRC - 1 st	\$78.29
NRC - Add'l	\$58.33
Loop Distribution per 4-Wire Analog VG Loop (Incl NID), per month	\$11.29
NRC - 1 st	\$112.07
NRC - Add'l	\$92.11
UNBUNDLED LOCAL EXCHANGE SWITCHING (PORTS)	
4-Wire Analog VG Port, per month	\$9.14
NRC - 1 st	\$5.86
NRC - Add'l	\$5.86
UNBUNDLED TRANSPORT	
Interoffice Transport - Dedicated - DS1	
Interoffice Transport - Dedicated DS1 Level Interoffice per mile per mo	\$0.6013
Interoffice Transport - Dedicated DS1 - facilities term per mo	\$101.61
NRC - 1 st	\$45.91
NRC - Add'l	\$44.18
Interoffice Transport - Local Channel DS1, per month	\$44.35
NRC - 1 st	\$246.50
NRC - Add'l	\$230.49
DIRECTORY ASSISTANCE SERVICES	
Directory Transport	
Directory Transport - Local Channel DS1, per month	\$43.64
NRC - 1 st	\$242.45
NRC - Add'l	\$226.44
Directory Transport - Dedicated DS1 Level Interoffice per mile per mo	\$0.6013
Directory Transport - Dedicated DS1 Level Interoffice per fac term per mo	\$99.79
NRC - 1 st	\$45.91
NRC - Add'l	\$44.18
Directory Transport-Installation NRC, per trunk or signaling connection	
NRC - 1 st	\$332.42
NRC - Add'l	\$8.82

MCIIm (Florida)

Physical Collocation Rates

Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
Application Fee/Planning Fee	Per Request	\$15.53	\$3,248
Space Preparation Fee	Per Request	NA	ICB
Space Construction			
Wire Cage	Per first 100 sq. Ft.	\$41.99	NA
Gypsum Board Cage	Per first 100 sq. Ft.	\$84.10	NA
Fire Rated Cage	Per first 100 sq. Ft.	\$99.73	NA
Wire Cage	Per add'l 50 sq. Ft.	\$4.14	NA
	Per add'l 50 sq. Ft.	\$9.35	NA
	Per add'l 50 sq. Ft.	\$11.30	NA
Floor Space/Land and Building	Per sq. Ft.	\$4.25	NA
Cable Installation	Per Cable	\$2.77	\$1,056
Cable Rack		\$22.94	NA
Power	Per amp	\$6.95	NA
Cross Connects			
2-wire	Per 100 Circuits	\$5.24	\$1,157
4-wire	Per 100 Circuits	\$5.24	\$1,157
DS-1/DCS	Per 28 Circuits	\$226.39	\$1,950
DS-1/DSX	Per 28 Circuits	\$11.51	\$1,950
DS-3/DCS	Per Circuit	\$56.97	\$528
DS-3/DSX	Per Circuit	\$10.06	\$528
Optical Circuits	Per Connection	\$6.46	\$2,431
Security Escort			
Regular Time	Per ¼ hour	NA	\$10.89
Overtime	Per ¼ hour	NA	\$13.64
Premium Time	Per ¼ hour	NA	\$16.40
Security Access Cards	Per Request (5 Cards)	NA	\$85.12

MCIm (Florida)

Virtual Collocation Rates

Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
Application Fee/Planning Fee	Initial Request	NA	\$4,122
	Add'l Cable Request	NA	\$1,249
Floor Space/Land and Building	Per Sq. Ft.	\$4.25	NA
Cable Installation	Per Cable	\$12.45	\$965
Cable Rack	Per ¼ Rack	\$2.24	NA
Power	Per Amp	\$6.95	NA
Cross Connects			
2-Wire	Per 100 Circuits	\$5.02	\$1,157
4-Wire	Per 100 Circuits	\$5.02	\$1,157
DS-1-DCS	Per 28 Circuits	\$226.39	\$1,950
DS-1-DSX	Per 28 Circuits	\$11.51	\$1,950
DS-3-DCS	Per Circuit	\$56.97	\$528
DS-3-DSX	Per Circuit	\$10.06	\$528
Optical Circuits	Per Connection	\$6.71	\$2,431
Virtual to Virtual Connection			
Fiber	Per Cable	\$.19	\$526.17
DS-1/DS-3	Per Cable	\$.17	\$134.46
Equipment Maintenance and Security Escort			
Regular Time	Per ¼ hour	NA	\$10.89
Overtime	Per ¼ hour	NA	\$13.64
Premium Time	Per ¼ hour	NA	\$16.40

SPRINT (Florida)

PHYSICAL COLLOCATION

RATE ELEMENT	APPLICATION/DESCRIPTION	TYPE OF CHARGE	PRICE
Application fee	Applied per arrangement, per C.O.	Non-recurring	\$3,850.00
Subsequent Application Fee (Note 1)	Applied per arrangement, per C.O.	Non-recurring	\$1,600.00
Space Preparation Fee (Note 2)	Applies per arrangement, per C.O.	Non-recurring	ICB
Space Enclosure Construction Fee (Note 2)	Applies per 100 square feet	Non-recurring	\$4,500.00
Additional Engineering Fee (Note 3)		Non-recurring	ICB
Cable installation fee	Applies per entrance cable	Non-recurring	\$2,750.00
Floor space	Zone A, per square foot Zone B, per square foot	Monthly recurring	\$7.50 \$6.75
Power	Per ampere based on manufacturer's specifications	Monthly recurring	\$5.00 per ampere
Cable support structure	Applies per entrance cable	Monthly recurring	\$13.35 per cable
Cross connect	Per cross-connect 2-wire 4-wire DS1 DS3 First cross-connect 2-wire 4-wire DS1 DS3 Each additional cross-connect 2-wire 4-wire DS1 DS3	Monthly recurring Monthly recurring Monthly recurring Monthly recurring Non-recurring Non-recurring Non-recurring Non-recurring Non-recurring Non-recurring Non-recurring Non-recurring	\$0.30 \$0.50 \$8.00 \$72.00 \$19.20 \$19.20 \$155.00 \$155.00 \$19.20 \$19.20 \$27.00 \$27.00
POT bay	Per cross-connect 2-wire 4-wire DS1 DS3	Monthly recurring Monthly recurring Monthly recurring Monthly recurring	\$0.40 \$1.20 \$1.20 \$8.00
Additional Security Access Cards	Each	Non-recurring ICB	\$10.00
Security escort	Basic - first half hour Overtime - first half hour Premium - first half hour Basic - first half hour Overtime - first half hour Premium - first half hour	Non-recurring ICB Non-recurring ICB Non-recurring ICB Non-recurring ICB Non-recurring ICB Non-recurring ICB	\$41.00 \$48.00 \$55.00 \$25.00 \$30.00 \$35.00

SPRINT (Florida)

BellSouth Telecommunications, Inc.
FPSC Docket Nos. 980946-TL, 980947-TL,
980948-TL, 981011-TL, 981012-TL & 981250-TL
Exhibit WKM-2, Page 16 of 30

PHYSICAL COLLOCATION

Notes:

ICB: Individual Case Basis - one time charge

(1) Subsequent Application Fee. BellSouth requires the submission of an Application Fee for modifications to an existing arrangement. However, when the modifications do not require BellSouth to expend capital (e.g. additional space or power requirements, BST termination/cross-connect equipment, etc.), BellSouth will assess the Subsequent Application Fee.

(2) Space Preparation Fee. The Space Preparation Fee is a one-time fee, assessed per arrangement, per location. It covers costs associated with the shared physical collocation area within a central office, and includes survey, engineering, design and building modification costs. BellSouth will pro rata the total shared space preparation costs among the collocators at that location based on the number of square footage requested. This charge may vary dependent on the location and the type of arrangement requested.

Space Enclosure Construction Fee. The Space Enclosure Construction Fee is a one-time fee, assessed per enclosure, per location. It covers the costs associated with providing an optional equipment arrangement enclosure, and includes architectural and engineering fees, materials, and installation costs. This fee is assessed in 50 square foot increments, with a minimum space enclosure size of 100 square feet. Interconnectors may, at its option, arrange with a BellSouth certified contractor to construct the space enclosure in accordance with BellSouth's guidelines and specifications. Such contractor shall directly bill Interconnector for activities associated with the space enclosure construction, and this fee shall not be assessed.

(3) Additional Engineering Fee. BellSouth's engineering and other labor time associated with establishing the Physical Collocation Arrangement will be billed as Additional Engineering charges, under provisions in BellSouth's F.C.C. Number 1 Tariff, Sections 13.1 and 13.2. An estimate of the Additional Engineering charges will be provided by BellSouth in the Application Response.

B. Bona Fide Firm Order. Interconnector shall indicate its intent to proceed with equipment installation in a BellSouth Central Office by submitting a Bona Fide Firm Order to BellSouth. A Bona Fide Firm Order requires Interconnector to complete the Application/Inquiry process described in Article IV.A preceding, submit an updated Application document based on the outcome of the Application/Inquiry process, and pay all applicable fees referenced in Article V, following. The Bona Fide Firm Order must be received by BellSouth no later than thirty (30) days after BellSouth's response to Interconnector's Application/Inquiry. Space preparation for the Collocation Space will not begin until BellSouth receives the Bona Fide Firm Order and all applicable fees.

C. Use of Certified Vendor. Interconnector shall select an equipment installation vendor which has been approved as a BellSouth Certified Vendor to perform all engineering and installation work required in the Collocation Space. BellSouth shall provide Interconnector with a list of Certified Vendors upon request. The Certified Vendor shall be responsible for installing Interconnector's equipment and components, extending power cabling to the BellSouth power distribution frame, performing operational tests after installation is complete, and notifying BellSouth's equipment engineers and Interconnector upon successful completion of installation. The Certified Vendor shall bill Interconnector directly for all work performed for Interconnector pursuant to this Agreement and BellSouth shall have no liability for nor responsibility to pay such charges imposed by the Certified Vendor.

D. Alarm and monitoring. BellSouth shall place environmental alarms in the Central Office for the protection of BellSouth equipment and facilities. Interconnector shall be responsible for placement, monitoring and removal of environmental and equipment alarms used to service the Collocation Space. Upon request, BellSouth will provide Interconnector with applicable tariffed service(s) to facilitate remote monitoring of collocated equipment by Interconnector.

E. Basic Telephone Service. Upon request of Interconnector, BellSouth will provide basic telephone service to the Collocation Space under the rates, terms and conditions of the current tariff offering for the service requested.

F. Space Preparation. BellSouth shall pro rate the costs of any renovation or upgrade to Central Office space or support mechanisms which is required to accommodate physical collocation. Interconnector's pro rated share will be calculated by multiplying such cost by a percentage equal to the amount of square footage occupied by Interconnector divided by the total Central Office square footage receiving renovation or upgrade. For this section, support mechanisms provided by BellSouth may include, but not be limited to heating/ventilation/air conditioning (HVAC) equipment, HVAC duct work, cable support structure, fire wall(s), mechanical upgrade, asbestos abatement, ground plane addition, or separate ingress/egress construction. Such renovation or upgrade will be evaluated and the charges assessed on a per Central Office basis. BellSouth will make reasonable efforts to provide for occupancy of the Collocation Space on the negotiated date and will advise Interconnector of delays. Interconnector agrees BellSouth shall not be liable to Interconnector for delays in providing possession of the Collocation Space.

G. Space Enclosure. Upon request of Interconnector, BellSouth shall construct an equipment arrangement enclosure of a size and dimension jointly agreed upon by the Parties. Interconnector may request enclosed floor space in increments of one hundred (100) square feet, with a minimum of one hundred (100) square feet. Interconnector may, at its option, arrange with a BellSouth certified contractor to construct the space enclosure in accordance with BellSouth's guidelines and

SUPRA**Schedule of Rates and Charges (cont.)**

<u>Rate Element Description</u>	<u>Type of Charge</u>	<u>Charge</u>
Security Escort		
Basic - first half hour	NRC-ICB	\$41.00
Overtime - first half hour	NRC-ICB	\$48.00
Premium - first half hour	NRC-ICB	\$55.00
Basic - additional half hour	NRC-ICB	\$25.00
Overtime - additional half hour	NRC-ICB	\$30.00
Premium - additional half hour	NRC-ICB	\$35.00

Notes

NRC: Non-recurring Charge - one-time charge

RC: Recurring Charge - charged monthly

ICB: Individual Case Basis - one-time charge

(1) **Subsequent Application Fee.** BellSouth requires the submission of an Application Fee for modifications to an existing arrangement. However, when the modifications do not require BellSouth to expend capital (e.g., additional space or power requirements, BST termination/cross-connect equipment, etc.), BellSouth will assess the Subsequent Application Fee in lieu of the Application Fee.

(2) **Space Preparation Fee.** The Space Preparation Fee is a one-time fee, assessed per arrangement, per location. It recovers costs associated with the shared physical collocation area within a central office, which include survey, engineering, design and building modification costs. BellSouth will pro rate the total shared space preparation costs among the collocators at each location based on the amount of square footage occupied by each collocator. This charge may vary depending on the location and the type of arrangement requested.

Space Enclosure Construction Fee. The Space Enclosure Construction Fee is a one-time fee, assessed per enclosure, per location. It recovers costs associated with providing an optional equipment arrangement enclosure, which include architectural and engineering fees, materials, and installation costs. This fee is assessed in 50 square-foot increments, with a minimum space enclosure size of 100 square feet. Interconnector may, at its option, arrange with a BellSouth certified contractor to construct the space enclosure in accordance with BellSouth's guidelines and specifications. In this event, the contractor shall directly bill Interconnector for the space enclosure, and this fee shall not be applicable.

(3) **Additional Engineering Fee.** BellSouth's engineering and other labor costs associated with establishing the Physical Collocation Arrangement shall be recovered as Additional Engineering charges, under provisions in BellSouth's F.C.C. Number 1 Tariff, Sections 13.1 and 13.2. An estimate of the Additional Engineering charges shall be provided by BellSouth in the Application Response.

General Terms and Conditions

Application for service

The application for co-location is a two-phased process consisting of the Application Inquiry and the Firm Order. Both phases use BellSouth's form BSTEI. Consequently, prior to negotiations for equipment placement, the BSTEI inquiry document must be submitted for review and planning by the Central Office equipment engineers, space planners and facility planners. Based on the feedback from these sources, BellSouth will respond to the application in writing.

Following the co-locator's review of BellSouth's response, a Firm Order must be submitted for each location for which the co-locator wishes to proceed. Provided no specification changes are required by co-locator, the Firm Order may be submitted on the same BSTEI used during the Inquiry phase. A detailed equipment drawing must accompany your Firm Order Request.

Assignment of space

BellSouth will assign space for co-location based on space availability and on a first come, first serve basis. For physical co-location, a customer may opt for a cage enclosure which will be offered in 100 square foot increments based on space availability within the area designated for physical co-location.

A co-locator requesting more than one 100 square foot cage module will be offered contiguous space where available. Where contiguous space is unavailable, the co-locator may elect the construction of two separate enclosures and may interconnect its arrangements one to another. BellSouth will not allow the interconnection of one co-locator's equipment to another co-locator's equipment except where required by regulatory policy.

If BellSouth determines there is insufficient space within a central office to accommodate physical co-location, BellSouth will provide Virtual Expanded Interconnection in accordance with existing regulatory requirements.

Insurance

BellSouth will require \$25 million in comprehensive general liability insurance and workers compensation coverage/employers liability coverage with limits not less than \$100,000 each accident, \$100,00 each employee by disease, \$500,000 policy limit by disease. BellSouth will review requests for self insurance on a case by case basis. BellSouth may not consent to an interconnector's assumption of the entire \$25 million of liability in lieu of general coverage.

Insurance coverage must be in effect on or before the date of occupancy (equipment delivery) and must remain in effect until departure of all co-locator personnel and property from the central office.

TCG

General Terms and Conditions (cont.)

Pricing structure

BellSouth will establish a pricing plan which meets the specifications of the 1996 Legislative Act. The plan will offer zone based pricing for recurring charges (i.e. floor space, power, etc) and location based pricing for most non recurring charges (i.e. space preparation, space construction)

Equipment installation

The co-locator must select an equipment installation vendor who has achieved BellSouth Certified Vendor status to perform all engineering and installation work associated with the equipment co-location arrangement. This ensures BellSouth's standards for safety and quality will be met. A list of certified vendors is contained in the Appendix of this document.

The Certified Vendor is responsible for installing the co-location equipment and components, performing operational tests after the equipment installation is completed, and notifying the local BellSouth Equipment Engineer and the Co-locator upon successful completion of the installation and acceptance testing. Arrangements must be made such that the Co-locator is billed directly by the Certified Vendor for activities associated with the arrangement installation.

A co-locator is responsible for the placement and monitoring of their own remote environmental and equipment alarms. BellSouth will place environmental alarms in co-location areas for its own use and protection. Upon request, BellSouth will provide remote monitoring circuits at the tariff rate for the service requested.

BellSouth will not allow the interconnection of one co-locator's equipment arrangement to another co-locator's equipment arrangement except where required by regulatory policy

Inspections

BellSouth will conduct an inspection of the co-locator's equipment and facilities between the time of the initial turn-over of the space and the activation of cross-connect elements. Subsequent inspections may occur with equipment additions or on a predetermined interval basis. For such inspections, BellSouth will provide a minimum of 48 hours advance notification.

The right for BellSouth to conduct inspections without prior notification is essential to BellSouth's ability to enforce the terms and conditions of the tariff or agreement, insure the compliance with local regulations and insure the compliance with environmental and safety standards. Co-locator personnel have the right to be present for inspections.

A co-locator may inspect their virtual co-location arrangement upon completion of the arrangement installation free of charge. Any additional inspections must be coordinated with BellSouth and will require a security escort fee.

TCG

General Terms and Conditions (cont.)

Ordering Interconnected service

A co-locator may interconnect to special and switched access services from BellSouth's FCC #1 at the DS3, DS1 and equivalent DS0 level. Interconnection is also available to Unbundled loops and ports from the State Access E tariff / State Dedicated Services E tariff. Please ask your BellSouth contact for state specific information.

Services to be interconnected to a co-location arrangement must be submitted on Access Service Request (ASR) forms using industry standards and code sets for accurate and complete requests. For information regarding the ASR ordering process and field definitions, please reference the Access Ordering Guide, BellCore's Special Reports SR STS-471001 and 4710004

Assignment of facilities

When a customer orders a service which interfaces at an end customer location at the same level as the cross-connect purchased, BellSouth will assign facilities within its network and provide the interconnection information on the Design Layout Record (DLR). When a customer orders cross-connects at a higher interface level than the service purchased for the end customer, the ordering customer must provide BellSouth with the circuit facility assignment.

Access to BellSouth Central Offices

Only BellSouth employees, BellSouth certified vendors, Co-locator employees and their authorized agents are permitted in BellSouth Central office buildings. All co-locators are required to provide their employees and authorized agents a picture identification which must be visible at all times while inside a BellSouth facility. Manned offices will afford 24 x 7 access without prior arrangements. Unmanned offices may require prior arrangement for the dispatch of a BellSouth employee or security escort for entrance.

Conversion of Virtual to Physical Co-location

Co-locators who have existing VEIS arrangements may convert these arrangements to physical co-location provided the terms and conditions for physical co-location are met. The co-locator will be responsible for the payment of BellSouth fees associated with physical co-location as well as vendor costs for relocation of equipment.

TCG

Negotiation Contacts

For ALEC initial contact:

<u>Contact Name</u>		<u>Telephone</u>
Bob Scheye	(overall fact finding)	404 420-8327
Jerry Latham		205 977-2213

For all IXC, CAP, and subsequent ALEC contacts:

<u>Contact Name</u>	<u>Telephone</u>	<u>Pager Number</u>	<u>Fax Number</u>
Rich Dender	205 977-5966	1-800-729-1371	205 977-0037
Bill French	205 977-0535	1-800-729-1372	"
Rick Ratliff	205 977-7489	1-800-729-1383	"
Pinky Reichert	205 977-1755	1-800-729-1384	"
Nancy Nelson *	205 977-1136	1-800-729-1380	205 977-0037

*Co-location Coordination Center Manager

For: * BBS End User Customers * Enhanced Service Providers
* Third Party Agents * Other Solutions Providers

<u>Contact Name</u>	<u>Telephone</u>	<u>Fax Number</u>
Tony Saberre	205 985-6195	205 985-1900

TCG

BellSouth Physical Collocation
 BellSouth Certified Vendor List
 For Engineering and Installation of Co-location Arrangements

<u>Company Name</u>	<u>Contact Name</u>	<u>Telephone</u>
ADC Communications	Ken Reeves	800 223-9773
	Doug Guidry	318 684-2860
Alcatel	Ed Boatwright FL	404 270-8335
	Alex Baber FL	800 869-4869
E F & I Services Co	Reed Tillis	904 355-7930
Lucent Technologies, Inc	Jerry Jones KY	502 429-1346
	Mike Harrington MS	601 544-7530
	George Ferguson MS	601 949-8275
	James McGarity GA	404 573-4120
	Janet Hallford GA	404 573-6945
	Charlotte office NC	704 596-0092
	Charlotte office NC	704 598-0750
	Other areas NC	910 299-0326
	Adrian Dye SC	803 926-5213
Alabama office AL	205 265-1291	
Mintel	Richard Becht	800 875-6468 404 923-0304
North Supply / DA TEL FiberNet, Inc.	Terry Fowler	800 755-0565
	Doug Sykes	205 942-4411
Quality Telecommunications, Inc.	Jerry Miller	770 953-1410
Rapid Response Communications	Ted Pellaux	615 546-2886
Six "R" Communications, Inc. (<u>NC and SC only</u>)	Ken Koontz	704 535-7607
	Dick Phillips	704 289-5522
Tele-Tech Company	Karl Bush KY	606 275-7505
	Bob Burch	606 275-7502
W E Tech, Inc	Wes Evans	305 587-6996

TCG

Central Office Exemptions (through September 1994)*

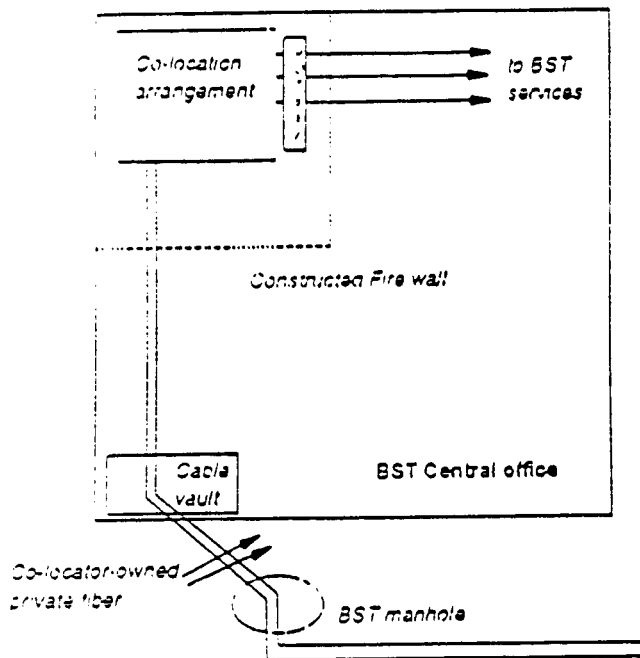
<u>State</u>	<u>City</u>	<u>Central Office</u>	<u>CLLI</u>
Alabama	Birmingham	Five Points South	BRHMALFS
		Main and Toll	BRHMALMT
		Riverchase	BRHMALRC
	Huntsville	Redstone Arsenal	HNVLALMA
Florida	Chipley	Jackson	CHPLFLJA
	Gainesville	Main	GSVLFLMA
	Jacksonville	Mandarin Avenues	MNDRFLAV
		San Jose	JCVLFLSJ
		South Point (JT Butler)	JCVLFLJT
	Jupiter	Main	JPTRFLMA
	Lake Mary	Main (Heathrow)	LKMRFLMA
	Lynn Haven	Ohio Avenue	LYHNFLOH
	North Dade	Golden Glades	NDADFLGG
	Pensacola	Ferry Pass	PNSCFLFP
	West Palm Beach	Gardens	WPBHFLGR
Royal Palm		WPBHFLRP	
Georgia	Austell	Main	ASTLGAMA
	Tucker	Main	TUKRGAMA
Kentucky	Louisville	Armory Place	LSVLKYAP
		Bardstown Toad	LSVLKYBR
		Westport Road	LSVLKYWE
	Paducah	Main	PDCHKYMA
North Carolina	Charlotte	Reid Road	CHRLNCRE
		Research Drive (Univ.)	CHRLNCUN
	Greensboro	Airport	GNBONCAP
	Pembroke	Central	PMBRNCCE
South Carolina	Columbia	Senate Street	CLMASCSN
	Greenville	Woodruff Road	GNVLSCWR
Tennessee	Memphis	Main	MMPHTNMA
		Midtown	MMPHTNMT
		Southside	MMPHTNST

* BellSouth ceased qualifying C O ' s September 1994 due to elimination of physical offering

TCG

Physical Co-location: Expanded Interconnection

With Expanded Interconnection, the co-locator is "expanding" their private network to interconnect with BellSouth's network. Therefore, private fiber is placed to the central office and pulled through to the co-location arrangement. The co-locator places their equipment in leased floor space and purchases cross-connects to BellSouth's transport services.



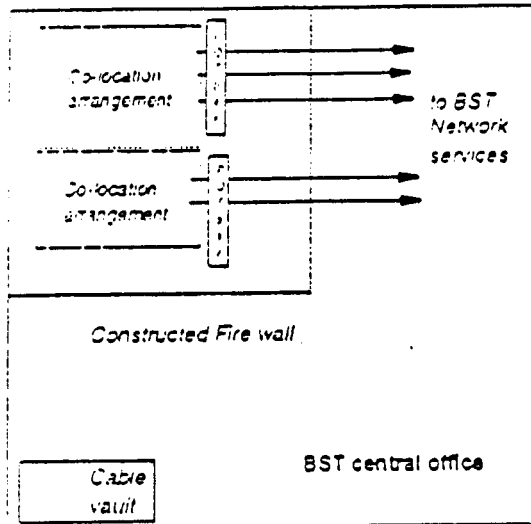
<u>Elements</u>	<u>Type of charge</u>
Application fee	NRC
Space preparation fee	NRC
Space construction fee *	NRC
Cable installation fee	NRC
Cable support structure	RC
Floor space / per square foot includes environmental	RC
Floor space - power / per ampere	RC
Cross-connects	RC
Security escort / per 1/2 hour	(as required)

* Applies for optional cage construction only

TCG

Physical co-location: Service interconnection arrangement

With a Service Interconnection arrangement, the co-locator places their equipment in leased floor space and purchases cross-connects to BellSouth's Transport services. For this arrangement, BellSouth will request a minimum 24 month contract for both the floor space and transport services, as well as a minimum number of interconnected DS1 or DS3 services.



<u>Elements</u>	<u>Type of charge</u>
Application fee	NAC
Space preparation fee	NAC
Space construction fee.*	NAC
Floor space / per square foot includes environmental	RC
Floor space - power / per ampere	RC
Cross-connects	RC
Security escort / per 1/2 hour	(as required)

* Required only for optional cage construction

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Rates for Physical Interconnection

Rate Element	Application/Description	Type of Charge	Rate
Application Fee	Applies per arrangement per location	Nonrecurring	\$2848.30
Space Preparation Fee	Applies for survey and design of space, covers shared building modification costs	Nonrecurring	See Attached Schedule I
Space Construction Fee	Covers materials and construction of optional cage in 100 square foot increments	Nonrecurring	\$29,744.00 ¹ See Attached Schedule I for Additional Information
Cable Installation Fee	Applies per entrance cable	Nonrecurring	<u>\$2750.00 per cable</u>
Floor Space	Per square foot, for Zone A and Zone B offices respectively	Monthly Recurring	\$7.50/\$6.75 ²
Power	Per ampere based on manufacturer's specifications	Monthly Recurring	\$5.14 per ampere
Cable Support Structure	Applies per entrance cable	Monthly Recurring	\$13.35 per cable
POT Bay	Optional Point of Termination bay; rate is per DS1/DS3 cross connect, respectively	Monthly Recurring	\$1.20/\$5.00 ³
Cross-Connects	Per DS1 and DS3	Monthly Recurring ⁴	DS1 \$ 9.00 DS3 \$72.00 See Attached Schedule II for nonrecurring DS1 option
Security Escort	First and additional half hour increments, per rate in basic time (B), Overtime (O), and Premium time (P)	As Required	\$41.00/\$25.00 B \$48.00/\$30.00 O \$55.00/\$35.00 P

¹ Applies only to collocators who wish to purchase a steel-gauge cage enclosure.

² See attached list for Zone A offices as of May 1996. This list will be amended monthly and such amendments are incorporated herein by reference.

³ Applies when collocator does not supply their own POT bay.

⁴ See Virtual Collocation tariff for nonrecurring charges associated with these elements

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Schedule I

Space Preparation Fees

Cost Range

Assumed Modifications

\$1800.00-\$2500.00

Secured floor space exists in C.O.
Fee covers architectural and engineering (A&E)
drawings/certification, card reader installation,
minor duct work and power plant extension
30'-40', card reader

\$3900.00-\$6300.00

A&E, 60'-80' firewall construction, cool water
fan unit install, HVAC duct and power plant
extension, card reader access

\$6300.-\$8500.00

A&E, 100' firewall construction, cool water
fan unit, HVAC duct and power extension,
card reader

ICB

HVAC or power plant upgrade

Fee ranges determined by comparative analysis with historical data. Actual prices may vary depending on vendor selection and materials cost at the time of installation.

Space Construction Fees

Steel gauge caging is an optional selection for collocation and is offered in 100 square foot increments. A space construction charge will apply for collocators who request caged enclosures. This charge covers the following items:

- Architectural engineering drawings for cage construction and placement
- 10' high chain link fencing with 3.5' x 7' gate
- Switched fluorescent light
- One 120v duplex outlet, circuit and breaker
- Environmental alarm
- Separate C.O. ground
- HVAC duct extension
- Cable support extension
- Floor finish
- Architect inspection fees
- BellSouth PPSM coordination

Fee Payment Options

BellSouth will offer two options for paying the Space Preparation and Space construction fees. The fees may be paid separately as described herein, or may be paid as a composite charge per square foot at a rate of \$330.00 per square foot for the first 100 square feet and \$242.00 per each additional square foot based on a 100 square foot minimum. Offices requiring major upgrade or replacement of either HVAC or power plant in order to support collocation installations in that office will be excluded from this per square foot fee offering. Major upgrade is defined as work requiring an expenditure greater than \$40,000.00 for either HVAC or power in a given office.

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Schedule II

Optional Non-Recurring Charge for DS-1 Cross-Connect Including Pot Bay

The following one time rates apply only to DS1 cross connects purchased in quantities of 25 or more on the same order.

	<u>Each DS1</u>
• If purchased between July 1, 1996 and June 30, 1997	\$325.00
• If purchased between July 1, 1997 and June 30, 1998	\$250.00
• If purchased between July 1, 1998 and June 30, 1999	\$175.00
• DS1 cross connects purchased prior to July 1, 1996 can be converted to a one time charge for the life of the contract	\$225.00

These rates apply during the period of this Agreement from July 1, 1996 through June 30, 1999. Rates beyond June 30, 1999 for installed cross connects and new installations will be renegotiated. However, DS1 cross connects purchased under this Agreement can be converted to a monthly recurring charge during the period beyond this Agreement. The monthly recurring charges will not exceed a charge equal to the DS1 local channel rate in effect at the time of conversion times 7.5%. The parties agree that 7.5% represents the approximate percentage of a \$9.00 monthly cross connect charge divided by a DS1 local channel rate of \$120.00.

ATTACHMENT C-1 (cont'd)

ACSI

RATES FOR PHYSICAL INTERCONNECTION

Rate Element	Application/Description	Type of Charge	Rate
Application Fee	Applies per arrangement per location	Nonrecurring	Tariff Rates (same as virtual)
Space Preparation Fee	Applies for survey and design of space, covers shared building modification costs	Nonrecurring	ICB - See Note 1 Will not be less than \$1800 - not to exceed \$8500 unless HVAC or power plant update. If so, rates to be ICB.
Space Construction Fee	Covers materials and construction of optional cage in 100 square foot increments	Nonrecurring	\$29,744.00 See Note 2
Cable Installation Fee	Applies per entrance cable	Nonrecurring	Tariff Rates (same as virtual)
Floor Space	Per square foot, for Zone A and Zone B offices, respectively	Monthly Recurring	\$7.50/\$6.75 See Note 3
Power	Per ampere based on manufacturer's specifications	Monthly Recurring	\$5.14 per ampere
Cable Support Structure	Applies per entrance cable	Monthly Recurring	\$13.35 per cable
POT Bay	Optional Point of Termination bay; rate is per DS1/DS3 cross-connect, respectively	Monthly Recurring	\$1.20/\$5.00 See Note 4
Cross-Connects	Per DS1/DS3, respectively	Monthly Recurring	\$8.00/\$72.48
Security Escort	First and additional half hour increments, per tariff rate in Basic time (B), Overtime (O), and Premium time (P)	As Required	\$41.00/25.00 B \$48.00/\$30.00 O \$55.00/\$35.00 P

- Note 1: Will be determined at the time of the application based on building and space modification requirements for shared space at the requested CO
- Note 2: Applies only to collocators who wish to purchase a steel-gauge cage enclosure. Carriers may also pay \$330.00 per square foot for the first 100 square feet and \$242.00 for each additional 100 square feet in the same CO in lieu of space preparation and construction fees. This option does not apply where HVAC, power plant or both upgrade is required.
- Note 3: See attached list for Zone A offices as of May 1996. This list will be amended monthly.
- Note 4: Applies when collocator does not supply their own POT bay.