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January 21, 2003

Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: ~~Docket No. 981834-TP~~
Petition of Competitive Carriers for Commission Action to Support Local Competition in BellSouth Telecommunications Inc.'s Service Territory

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Docket No. 990321-TP
Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of the Rebuttal Testimony of John Ries on behalf of Verizon Florida Inc. for filing in the above matters. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing, please contact me at 813-483-2617.

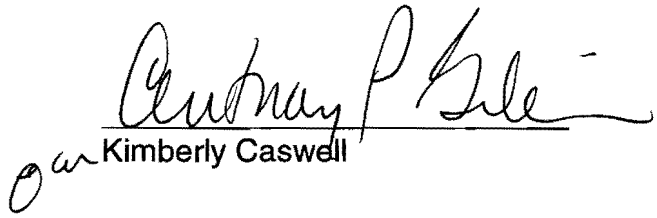
Sincerely,

Kimberly Caswell

KC:tas
Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the Rebuttal Testimony of John Ries on behalf of Verizon Florida Inc. in Docket Nos. 981834-TP and 990321-TP were sent via U. S. mail on January 21, 2003 to the parties on the attached list.



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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Competitive Carriers for Commission action to support local Competition in BellSouth Telecommunications Inc.'s service territory	)	Docket No. 981834-TP
In re: Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation	)	Docket No. 990321-TP

REBUTTAL TESTIMONY OF

JOHN RIES

ON BEHALF OF

VERIZON FLORIDA INC.

JANUARY 21, 2003

I. INTRODUCTION AND SUMMARY OF TESTIMONY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is John Ries. My business address is 600 Hidden Ridge, Irving, Texas 75038.

Q. DID YOU FILE DIRECT TESTIMONY IN THIS DOCKET?

A. Yes, I filed direct testimony on December 19, 2002.

Q: WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my testimony is to respond to the direct testimony of Jeffrey King, who filed direct testimony in this docket on December 19, 2002, on behalf of AT&T Communications of the Southern States, LLC and TCG South Florida, Inc. As I discuss below, several of Mr. King's proposals would deny Verizon Florida the ability to properly recover collocation costs incurred on the ALECs' behalf; other proposals are simply dangerous. Mr. King's unreasonable proposals should be rejected.

II. VERIZON FLORIDA'S SPACE PREPARATION CHARGES AND APPLICATION FEES ARE APPROPRIATE.

Q. PLEASE RESPOND TO MR. KING'S CLAIM THAT VERIZON FLORIDA SHOULD NOT BE PERMITTED TO CHARGE THE ALEC 50% OF THE NON-RECURRING SPACE PREPARATION FEE

BEFORE THE COLLOCATION ARRANGEMENT IS COMPLETED. (pp 4-5).

A. Verizon Florida charges the ALEC 50% of the non-recurring space preparation fee before Verizon Florida begins preparing the collocation space to ensure that Verizon Florida is adequately compensated if the ALEC later decides to cancel its collocation request. *See* Verizon Florida Tariff § 19.4.1. This requirement also forces the ALEC to make a decision on whether in fact it wants to proceed with collocation in a particular central office *before* Verizon Florida spends considerable time and money building the collocation arrangement, and before the ALEC takes up valuable central office space that could be used by another ALEC.

Mr. King's proposal that an ALEC pay all of the non-recurring space preparation fee[1] after the collocation arrangement is completed could deny Verizon Florida proper cost recovery and should therefore be rejected. Like many other businesses, the ALEC should be required to make a reasoned business decision on whether it wants to proceed with collocation and commit to Verizon Florida by paying a deposit. Indeed, the FCC has already held that Verizon Florida's 50% deposit requirement is reasonable. *Collocation Order* ¶ 41.[2] And Sprint fully supports this requirement. Fox Test. at 4.

Q. HAVE ALECS IN THE PAST CANCELLED COLLOCATION APPLICATIONS AFTER VERIZON FLORIDA HAD INCURRED

SIGNIFICANT COSTS?

A. Yes. In the past, a number of ALECs have cancelled collocation applications or gone out of business without paying their outstanding collocation balances. Mr. King's claim that ALECs should not have to pay anything until the collocation arrangement is completed would only make this situation worse.

Q. DO YOU AGREE WITH MR. KING'S PROPOSAL FOR APPLYING CANCELLATION CHARGES IF THE ALEC CANCELS ITS REQUEST FOR COLLOCATION SPACE? (pg 5).

A. No. Mr. King's assertion that "if the ALEC cancels its request for collocation space within 20 days after the application has been submitted to the ILEC, the application fees should be fully refundable," King Test. at 5, misses the point. The application fee recovers the costs Verizon Florida incurs to process the collocation application. Thus, regardless of whether or when the ALEC later cancels the application, that work has been performed and Verizon Florida is entitled to be compensated for it.

With respect to the space preparation charge, Verizon Florida will reimburse the ALEC for the portion of the 50% deposit that has not been used by Verizon Florida, but should be entitled to keep the rest. *See* Verizon Florida Tariff § 19.10.3. As Sprint notes, "the ALEC should reimburse the ILEC for any actual expenses incurred and not already paid." Fox Test. at 7.

Mr. King's claim that the ALEC should be refunded its entire 50% space preparation fee prepayment if it cancels a collocation application because Verizon Florida somehow benefits from the collocation space is absurd. Verizon Florida prepares the collocation arrangement only because it is requested by the ALEC. Verizon Florida generally has no use for such an arrangement. And in the rare event that Verizon Florida does use the cancelled collocation space for itself, it will refund the canceling ALEC the space preparation charge pursuant to Section 19.10.2 of Verizon Florida's tariff.[3]

In short, there is absolutely no support for Mr. King's claim that collocation charges should be refunded to a canceling ALEC regardless of whether Verizon Florida has already incurred costs for performing the work requested by the ALEC. As Mr. Gray explained, "the ILEC should not be penalized just because an ALEC changes its mind about collocating in the central office." Gray Test. at 12-13.

III. VERIZON FLORIDA'S MONTHLY RECURRING CHARGES SHOULD COMMENCE WHEN THE COLLOCATION ARRANGEMENT IS TURNED OVER TO THE ALEC.

Q. DO YOU AGREE WITH MR. KING'S CLAIM THAT CERTAIN MONTHLY RECURRING CHARGES SHOULD NOT BE BILLED UNTIL THE ALEC UNILATERALLY DECIDES TO BEGIN PROVIDING SERVICE TO END USERS? (pg 4).

A. No. Verizon Florida incurs the costs to build the collocation arrangement and should therefore begin to be compensated as soon as it delivers the arrangement to the ALEC. While Mr. King agrees that the ALEC should be required to begin paying Verizon Florida for the floor space as soon as the arrangement is turned over, he disagrees that the ALEC should begin paying other recurring charges. According to Mr. King, the other recurring charges should be deferred until the ALEC installs, interconnects, and tests its equipment. King Test. at 5. But treating floor space charges differently from other recurring charges makes no sense: Verizon Florida incurs the costs for both before the arrangement is turned over to the ALEC. Verizon Florida's cost recovery clearly should not be tied to the ALEC's unilateral decision to begin installing equipment in the collocation arrangement.

Moreover, certain aspects of the collocation arrangement are often prepared by third party vendors, who expect to be paid by Verizon Florida immediately and will not wait until the ALEC decides to install equipment. Thus, it is unreasonable to require Verizon Florida to wait to be reimbursed from the ALECs, particularly when Verizon Florida has already incurred considerable out-of-pocket costs on the ALECs' behalf. In fact, the ALEC may never decide to install equipment or may vacate the arrangement or go out of business, leaving Verizon Florida with *no* cost recovery under Mr. King's proposal.

Mr. King offers no credible explanation for why Verizon Florida should

not be able to begin billing ALECs for all collocation monthly recurring charges as soon as Verizon Florida has turned over the collocation space. Bell South's witness Mr. Gray, in contrast, cogently explained that "monthly recurring charges are appropriately assessed when [the ILEC] has completed its space conditioning and provisioning work and turned the now 'functional space' over to the ALEC." Gray Test. at 8. And Sprint's witness Mr. Fox similarly explained that "[b]illing of MRCs should begin upon acceptance of the collocation space by the ALEC," Fox Test. at 5, because once "collocation construction begins, the space is effectively dedicated to the ALEC, i.e., it is no longer available for use by the ILEC or other ALECs." *id.* at 6.

Verizon Florida should therefore be permitted to recover the costs it incurs to provision a collocation arrangement on behalf of the ALEC as soon as the arrangement is turned over to the ALEC, and should not be penalized simply because the ALEC has not timed its business plans properly. The ALEC knows when it submits a collocation application that Verizon Florida will provision the arrangement according to published intervals. Thus, if the ALEC is not ready to install equipment, it should wait to submit a collocation application. Moreover, the ALECs should not be permitted to game the system by requiring Verizon Florida to build collocation arrangements that they may never use, at no cost to the ALECs. In fact, it is my understanding that all state commissions permit the ILEC to assess recurring charges for UNEs, including collocation, as soon as the UNE or collocation arrangement is delivered

to the ALEC.

IV. THE ALECS SHOULD BE REQUIRED TO JUSTIFY UNUSED COLLOCATION SPACE.

Q. SHOULD AN ALEC BE REQUIRED TO JUSTIFY ITS UNUSED COLLOCATION SPACE BEFORE VERIZON FLORIDA IS FORCED TO EXPAND A CENTRAL OFFICE? (pp 7-8).

A. Yes. The FCC has noted that "inefficient use of space by one ALEC could deprive another entrant of the opportunity to collocate facilities or expand existing space." *Local Competition Order* ¶ 586.[4] The FCC Rules likewise provide that "[a]n incumbent LEC may impose reasonable restrictions on the warehousing of unused space by collocating telecommunications carriers." 47 C.F.R. § 51.323(f)(6).

As I explained at page 5 of my direct testimony, "reasonable restrictions" in this instance require that an ALEC possessing unused collocation space in an exhausted central office be required to justify why it should be permitted to retain that space. Verizon Florida itself must justify its unused or "reserved" space when it claims that a particular central office is out of collocation space.

Mr. King does not appear to object to Verizon Florida's requirement that the ALEC justify its need for unused collocation space, but claims that an ALEC should be allowed to retain its unused collocation space so

long as it "has future plans for [its] collocation space and provides written notification [of] such to the ILEC." King Test. at 7. Verizon Florida agrees with Mr. King, but reserves the right to seek additional documentation of the ALECs' plans for unused space, as well as to reclaim unused space, where appropriate, pursuant to Verizon Florida's tariff. *See* Verizon Florida Tariff § 19.5.6.

Q. IS MR. KING'S PROPOSAL TO PERMIT ALECS TO TRANSFER COLLOCATION SPACE TO OTHER ALECS CONSISTENT WITH THE COMMISSION'S NOVEMBER 2000 ORDER? (pg 7).

A. No. Mr. King argues that any ALEC, at its sole discretion, should be able to transfer its collocation space to any other ALEC. King Test. at 7-8. But as I explain at pages 7 and 8 of my direct testimony, the Commission's ruling of November 2000 requires ILECs to keep waiting lists of ALECs that have been denied physical collocation, and to provide collocation space on a first-come, first-served basis. (The FCC rules similarly require that Verizon provide collocation space on a first-come, first-served basis). Allowing an ALEC to transfer space directly to another ALEC would circumvent this requirement. As Sprint's expert noted, "[i]f the ALEC could transfer its unwanted space, it could bypass the next ALEC on the waiting list in favor of another ALEC." Fox Test. at 13.

Mr. King's proposal would also allow ALECs involved in joint ventures or mergers to favor their partners and/or preclude their competitors from

collocating in an ILEC's central office. His proposal may also circumvent the federal bankruptcy rules, which require an ALEC that is acquiring another ALEC to cure all outstanding indebtedness owed to Verizon Florida before it can assume the collocation arrangements owned by the acquired company.

Mr. King's recommendation that ALECs be allowed to transfer space to one another, without Verizon Florida's permission and oversight, should therefore be denied.

V. MR. KING'S PROPOSAL ON COPPER ENTRANCE FACILITIES WOULD EXHAUST VALUABLE CENTRAL OFFICE SPACE AND IS DANGEROUS.

Q. PLEASE ADDRESS MR. KING'S STATEMENTS REGARDING COPPER ENTRANCE FACILITIES. (pg 8).

A. In my direct testimony, I described the serious space exhaustion concerns that make it technically infeasible to permit ALECs to demand copper entrance facilities in a central office. Ries Test. at 8-9. Additionally, there are serious safety concerns associated with copper entrance facilities. Mr. King does not address these concerns at all; rather, he simply states generically that since copper plant "is still an integral part of the telecommunications industry," and flatly asserts, without any justification at all, that this fact means ALECs must be given "the opportunity to use copper plant." King Test. at 8. Simply because

there are still copper facilities *somewhere* in the public switched telephone network ("PSTN"), however, it does not follow that copper plant is appropriate — or even safe — for use in entrance facilities in particular.

The copper that remains in the PSTN is primarily used in the *distribution* plant — i.e., the facilities that fan out in the field to individual customer premises. By contrast, virtually all new *feeder* plant — i.e., the facilities connecting into the central office — uses fiber cable, given the enormous efficiency advantages and serious safety issues described in my testimony. Fiber is by far the more efficient cabling for aggregating and delivering higher volumes of traffic. That is why new entrance facility cable installed by Verizon is fiber, and why virtually all ALECs and third party transport providers use fiber to deliver aggregated traffic from collocation nodes to the ALEC's own network.

Q. WHAT PROBLEMS WOULD ARISE FROM ALLOWING ALECS TO USE COPPER ENTRANCE FACILITIES?

A. The two basic concerns with permitting an ALEC to introduce copper entrance facilities into a Verizon central office are safety and space exhaust.

Q. WHY DOES ALLOWING ALECS TO INSIST ON COPPER ENTRANCE FACILITIES PRESENT A SAFETY RISK?

A. The outside copper plant of a telephone network is always subject to

significant foreign voltages and currents — for example, when lightning strikes a copper wire. Both to avoid electrocution risks and to protect Verizon and ALEC central office equipment, it is absolutely essential to prevent these foreign voltages and currents from being conducted into the central offices. While Verizon takes all precautions required by industry standards and electric safety codes to manage its plant in a manner that *minimizes* these risks, these risks can never actually be *eliminated*, and Verizon has, in the past, experienced fires and equipment failures directly attributable to these external voltages.

Copper entrance facilities — especially when maintained by the ALECs without any supervision by or coordination with Verizon — present an increased safety risk. Copper cables are highly conductive and are capable of conveying foreign current and voltages into and through the central office. By contrast, fiber optic cables are non-conductive and for that reason mitigate risks of central office electrocution, fire, and equipment failures.

Q. DO SAFETY RISKS AFFECT WHETHER A GIVEN TECHNICAL ARRANGEMENT IS "TECHNICALLY FEASIBLE" WITHIN THE MEANING OF THE 1996 TELECOMMUNICATIONS ACT AND THE FCC'S RULES?

A. Yes. The FCC has specifically ruled that these kinds of safety and network reliability issues form a critical component of the technical feasibility analysis. In paragraphs 198 and 203 of its *Local Competition*

Order,[5] the FCC recognized the primacy of network safety:

> 198 . . . Specific, significant, and demonstrable network reliability concerns associated with providing interconnection or access at a particular point . . . will be regarded as relevant evidence that interconnection or access at that point is technically infeasible.
>
> 203 . . . [L]egitimate threats to network reliability and security must be considered in evaluating the technical feasibility of interconnection or access to incumbent LEC networks. Negative network reliability effects are necessarily contrary to a finding of technical feasibility.

Q. HAVE OTHER STATE COMMISSIONS RECOGNIZED THE RISKS POSED BY COPPER ENTRANCE FACILITIES?

A. Yes. The Massachusetts Department of Telecommunications and Energy ("DTE") specifically rejected a proposal to extend third-party copper cables into Verizon's (formerly Bell Atlantic's) central offices for safety reasons. The DTE found that to approve such a proposal would introduce "significant network safety and reliability risks to Bell Atlantic network facilities and personnel. The electrical connectivity properties of copper significantly increase the potential for damage to Bell Atlantic's facilities, outages or network disruption, and could possibly harm Bell Atlantic's employees."[6]

Q. PLEASE ADDRESS THE SPACE EXHAUST CONCERNS ASSOCIATED WITH COPPER ENTRANCE FACILITIES.

A. The second problem with allowing ALECs to deploy copper facilities to a Verizon central office is the potential for premature and rapid exhaust of conduit, manhole, cable vault, and riser space. A 3200 pair copper cable, which can provide up to 3200 voice grade services, is more than twice the thickness of a fiber OC-48 multiplexer, which can carry over *ten times* as many lines. Put another way, to have the same capacity as the fiber OC-48, a copper cable would have to be over twenty times as thick as the fiber cable. Moreover, these comparisons are simply for the cabling; copper cables require considerable additional bulky equipment (e.g., splice cases, protector frames, and intermediate distribution frames) that is not necessary for fiber.

The FCC has recognized "the potential adverse effects of such interconnection on the availability of conduit and riser space."[7] This Commission should do the same.

VI. MR. KING'S POWER PROPOSALS ARE INCONSISTENT WITH INDUSTRY STANDARDS.

Q. PLEASE ADDRESS MR. KING'S ASSERTION THAT FUSE SIZES OF 70 AMPS OR GREATER SHOULD BE PROVISIONED FROM THE ILEC POWER DISTRIBUTION BOARD, IF REQUESTED BY THE ALEC. (pg 8).

A. Mr. King suggests that individual ALECs should be able to dictate whether their fuse sizes of 70 amps or greater are terminated to a Battery Distribution Fuse Bay (BDFB) or to the main power plant. But BDFBs are meant to be used as secondary distribution points and are designed to shorten distribution cable lengths and to alleviate congestion at the main power distribution board. Indeed, BDFBs are not equipped to accommodate power feeds of greater than 70, or in some cases even 60, amps.[8]

In addition, Verizon Florida's engineers have a responsibility to maximize the efficiency of power distribution to the equipment of *all* ALECs as well as to Verizon Florida's own equipment; they cannot carry out that responsibility effectively if individual ALECs can dictate to them where to terminate particular power feeds. Verizon Florida will distribute DC power in accordance with Verizon technical specifications and industry standards in order to ensure the integrity and safety of the network and, more important, of the employees who work on it.

Q. PLEASE SUMMARIZE MR. KING'S PROPOSAL FOR CALCULATING POWER CHARGES. (pg 9).

A. Mr. King first recommends "the actual placement of meters" to measure the "amperage drained by the [ALEC's] collocation equipment." King Test. at 9-10. However, Mr. King concedes, as he must, that "meters or measuring facilities [may be] unavailable or not economically feasible." *Id.* at 10. As a back-up option, Mr. King proposes charging for power

usage based on the "List 1 Drain of installed equipment as provided by the equipment vendors." *Id.* at 9.

Q. WOULD THE INSTALLATION OF METERS TO MEASURE ACTUAL USAGE BE FEASIBLE?

A. No. As I explain at page 13 of my direct testimony, placing meters to monitor usage is not feasible from a practical or cost standpoint. This point has been recognized by the FCC[9] and by ALECs in other proceedings.[10]

Q. WHAT WOULD BE THE PRACTICAL EFFECT OF USING LIST 1 DRAIN AS A PROXY FOR ACTUAL USAGE?

A. ALECs would likely use more power than they would pay for. List 1 Drain represents the manufacturer specifications for *normal* operating conditions. That is, List 1 is the *minimum* amount of power that a fully loaded piece of telecommunications equipment will draw while in use. By proposing to cap power charges at List 1 Drain, Mr. King is actually suggesting that ALECs should not have to pay for any increased power usage caused by non-ideal conditions such as the inevitable surges or spikes in current, or drops in the normal float voltage of the power system. That these increases in power drain are indeed inevitable is illustrated by the fact that manufacturers also specify a List 2 Drain for each piece of telecommunications equipment, which is enough higher than List 1 to account for expected, non-"normal" operating conditions.

While List 2 Drain would clearly be a more realistic proxy for actual power usage than List 1 Drain, Verizon Florida does not propose to tie ALECs to any manufacturer specified drainage level in charging for power. Rather, Verizon Florida engineers provision power based on *ALEC* load and fuse specifications. That is, Verizon Florida lets ALECs order power at whatever load they desire, so they can already order power corresponding to the List 1 Drain specifications of their equipment if that is what they want. Of course, doing so would put them at risk for equipment failures and/or audit penalties during voltage spikes, but the option is theirs. Thus, there is no need for the Commission to designate List 1 Drain as a proxy for actual usage.

Q. PLEASE COMMENT ON MR. KING'S ASSERTION THAT VERIZON HAS "ADVOCATE[D] ACTUAL 'LOAD' AS THE CORRECT METHOD OF CHARGING POWER" IN NORTH CAROLINA. (pg 10).

A. Mr. King's statement is correct in that Verizon did advocate — exactly as it is proposing here — that an ALEC's power charges should be based on the load amperage that it specifies it will actually require for its equipment. However, Mr. King's implication that Verizon has endorsed metering or a flat-rated usage proxy is entirely misleading and false. In every state tariff, Verizon bills ALECs for load amps as opposed to fused amps, and Verizon bills the ALECs for precisely what they order. The ALEC, on its application, specifies the amount of load amperage required for its collocation configuration (as well as the fuse capacity for each power feed), and the ALEC is billed based on that specified load

amperage. The ALEC is presumed to know its own power needs. That is what it means to say Verizon charges based on "actual" load.

Q. PLEASE ADDRESS MR. KING'S PROPOSALS REGARDING WHEN AN ILEC SHOULD BE ALLOWED TO BEGIN BILLING AN ALEC FOR POWER. (pg 11).

A. As with other collocation provisioning expenses, Mr. King would have the Commission ignore basic principles of cost recovery and allow the ALEC to unilaterally delay paying for power that Verizon Florida has incurred unrecovered costs to provision. He proposes that ALECs not be billed for power until "power is being . . . used by the ALEC." King Test. at 11.

As I explained at page 13 of my direct testimony, though, Verizon Florida incurs significant fixed investment costs to bring power to a requesting ALEC's collocation space, regardless of whether the ALEC is actually drawing current. Verizon Florida should thus be entitled to begin recovering that investment once it relinquishes collocation space to the ALEC. At that point, the ALEC actually receives the benefit of Verizon Florida's initial infrastructure investment, since, as Sprint's expert explained, "[o]n that date, the ALEC has the capability of drawing power." Davis Test. at 10. As I discuss above, the date that an ALEC installs or activates equipment within its space is not relevant to when Verizon Florida is entitled to cost recovery, and a rule permitting an ALEC to unilaterally delay Verizon Florida's recovery of the costs the

ALEC forced Verizon Florida to incur at the ALEC's request would lead to gamesmanship.

Q. HAVE OTHER STATE COMMISSIONS RESOLVED THIS ISSUE?

A. Yes. For example, in Massachusetts, the DTE recognized that ALEC power requests could lead to Verizon having to augment its power plant with additional batteries, rectifiers and/or BDFBs, and that in such instances Verizon would be "incurring up-front costs to accommodate CLEC equipment."[11] The DTE held that "Verizon's Power Consumption rate element should be assessed upon immediate occupation because Verizon reserves a portion of its DC amp capacity in response to a CLEC's collocation application," and that "[b]y recovering the Power Consumption charge once space is turned over, the cost structure will create an incentive for CLECs to be prudent in seeking to collocate, which will reduce the likelihood of Verizon incurring up-front investments that may go unused and unnecessarily exhausting CO space." *Id.* at 419-20.

In addition, as we discuss above, all of Verizon's tariffs permit it to commence billing of monthly charges, including power charges, no later than 30 days after notification that Verizon has completed the requested space.

Q. PLEASE ADDRESS MR. KING'S ASSERTION THAT ALECS SHOULD BE ALLOWED TO HAVE AC POWER FEEDS IN THEIR

COLLOCATION SPACE. (pg 11).

A. As I explained in my direct testimony, Ries Test. at 14, permitting ALECs to build multiple, separate power plants in Verizon Florida central offices significantly increases safety risks. Mr. King does not address this concern at all. Instead, he makes two entirely unsupported assertions: ALECs need an AC power feed to "place AC powered equipment in their collocation space," and it "may" be more economical for an ALEC to provide its own DC power conversion. King Test. at 11. The first is a red herring: Verizon Florida already provides AC convenience outlets in the collocation area for equipment testing purposes. It is highly doubtful that an ALEC would actually use any other kind of AC-powered equipment. Telecommunications equipment is virtually always DC-powered because with DC power, an interruption will not result in an equipment failure because the DC batteries provide a continuous flow of power until the main power source is restored; by contrast, AC-powered equipment would be subject to interruption.

In any event, permitting ALECs to run AC-powered telecommunications equipment would put a considerable additional load on the AC service panels. New investment would be required and Verizon Florida would have to conduct a new cost study and create a new rate element.

Mr. King's second assertion — that ALECs should be allowed to convert AC power to DC power because it "may" be cheaper — is directly contradicted by AT&T's own testimony in other proceedings. In the

recently concluded compliance filing proceeding before the Massachusetts DTE, AT&T witness Nurse has testified that converting AC power to DC power would require ALECs to "build an expensive DC power plant with battery back-up, rectifiers, controllers, and stand-by generation, the cost of which could be prohibitively expensive."[12] As Mr. Nurse put it, "such efforts would be duplicative and inefficient." *Id.* And AT&T witness Turner explained to the Hawaii Public Utilities Commission: "The equipment necessary to convert AC power to DC power, and provide for the various forms of emergency backup (battery and diesel generation), requires a significant amount of space"[13] — space that would be inefficiently used and would contribute to exhaustion.

Finally, as Sprint's expert notes, the uninterrupted power source ("UPS") that would be required for an ALEC to use AC power beyond testing purposes presents serious safety concerns: "UPS devices contain acid that can leak or release harmful fumes into the central office. In addition, the use of UPS devices poses a hazard during emergencies." Fox Test. at 18.

VII. VERIZON FLORIDA'S POLICY OF NOTIFYING ALECS WHEN COLLOCATION SPACE IS EXHAUSTED IS REASONABLE.

Q. PLEASE ADDRESS MR. KING'S ASSERTION THAT THE ILEC "OWES TO THE ALEC COMMUNITY A PLAN OF ACTION AS TO

WHEN NEW CONSTRUCTION OF A REMOTE TERMINAL WILL BE COMPLETED" WHEN SPACE IS NOT AVAILABLE AT A REMOTE TERMINAL OR THAT REMOTE TERMINAL IS NEAR EXHAUSTION. (pg 11).

A. Verizon Florida has made clear that it will share with ALECs and the Commission useful information that it has regarding space availability, both at central offices and at remote terminals. Verizon Florida will list on its web site every remote terminal where an application for collocation has been denied due to exhaustion. Verizon Florida will also file an exemption package with the Commission supporting the denial at each such location. The exemption package will detail any known plans for relief for the exhausted site.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

END NOTES

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[1] Mr. King's "other" category includes items such as cable and cross connect installation, King Test. at 4, which are properly included in Verizon Florida's space preparation charge.

[2] Second Report and Order, In the Matter of Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection through Physical Collocation for Special Access and Switched Transport, 12 FCC Rcd 18730, 18,753 ¶ 41 (1997) ("*Collocation Order*") ("We find that it is not unreasonable for LECs to require interconnectors to pay up to 50 percent of the cost of construction or other nonrecurring costs before commencement of work. . . . the advance payment of up to one-half of the construction or other nonrecurring costs is a reasonable requirement that is consistent with standard commercial construction contracts.").

[3] In addition, if a subsequent ALEC utilizes a collocation facility for which the canceling ALEC paid a non-recurring charge, Verizon Florida will refund that non-recurring charge, less depreciation, to the first ALEC. *See* Verizon Florida Tariff § 19.10.2.

[4] First Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, 11 FCC Rcd 15,499 ¶ 586 (1996) ("*Local Competition Order*").

[5] *Local Competition Order*, 11 FCC Rcd 15,499, 15,602-03, 15,605-06 ¶¶ 198, 203.

[6] Media One/Greater Media Arbitration Order, D.T.E. 99-52 § IV(H)(1)(c) (Sept. 24, 1999). The DTE had earlier adopted a tariff preventing other carriers from bringing copper facilities into Bell Atlantic's central offices for the same reasons. (M.D.T.E. No. 15, § 16.1.2.B).

[7] Report and Order and Notice of Proposed Rulemaking, In the Matter of Expanded Interconnection with Local Telephone Company Facilities Amendment of the Part 69 Allocation of General Support Facility Costs, 7 FCC Rcd 7369, 7416 ¶ 99 (1992).

[8] *See* Verizon-292-100-000 § 5.1 (Issue 3 Nov. 2002) ("DC loads over 70 amps must be supplied from the power plant."); *id.* § 6.1 ("The maximum overcurrent device size on a BDFB is 70 amps.").

[9] Second Report and Order, In the Matter of Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection through Physical Collocation for Special Access and Switched Transport, 12 FCC Rcd 18,730, 18,759-60 ¶ 59 (1997) ("We will not require LECs to provide power on a measured, actual use basis because we are not persuaded that such a rate structure would reflect the way costs are incurred better than power offered in increments.").

[10] In the Matter of the Complaint and Petition for Declaratory Judgment of Covad Communications Company and AT&T Communications of New York, Inc. Regarding Unjust and Unreasonable Collocation Power Charges in New York Telephone Company P.S.C. Tariff No. 914, Case No. 00-C-2049, Joint Comments of Qwest Communications International, Inc., Qwest Corp., and Qwest Communications Corp. (Feb. 26, 2001) (noting, as Qwest the ALEC, out of Qwest the ILEC's home region: "Indeed, Qwest's experience indicates that the installation of on-line measuring devices would be prohibitively expensive and should not be ordered by the Commission. . . . Instead, Qwest recommends that the Commission adopt an approach which relies on auditing. As with numerous other usage-sensitive, difficult to measure services, auditing can uncover the disparities between anticipated power usage and actual usage.").

[11] DTE 01-20 Part A, Investigation by the Department of Telecommunications and Energy on its own Motion into the Appropriate Pricing, based upon Total Element Long-Run Incremental Costs, for Unbundled Network Elements and Combinations of Unbundled Network Elements, and the Appropriate Avoided-Cost Discount for Verizon New England, Inc. d/b/a Verizon Massachusetts' Resale Services in the Commonwealth of Massachusetts at 419 (July 11, 2002), affirmed DTE 01-20-Part A-A, Order on Motion by Verizon Massachusetts, AT&T Communications of New England, Inc., and CLEC Coalition for WorldCom, Inc. and Z-Tel Communications for Partial Reconsideration at 130 (January 14, 2003).

12 D.T.E. 98-57, Phase I, Nurse Test. at 4 (Nov. 21, 2000).

13 Declaration of Steven E. Turner, HPUC Docket No. 7702 ¶ 7 (Dec. 13, 2000); *see also id.* ¶ 6 (noting that "modern telecommunications equipment runs on DC power" and that "the proper operation of telecommunications equipment requires emergency backup DC power in the event the utility's power fails.").