BELLSOUTH TELECOMMUNICATIONS, INC.

SURREBUTTAL TESTIMONY OF A. WAYNE GRAY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

JANUARY 28, 2004

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH").

A. My name is A. Wayne Gray. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. My title is Director – Regional Planning and Engineering Center in BellSouth's Network Planning and Support organization.

Q. ARE YOU THE SAME A. WAYNE GRAY WHO PREVIOUSLY FILED REBUTTAL TESTIMONY IN THIS DOCKET ON JANUARY 7, 2004?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut portions of the rebuttal testimony filed by MCI witness James D. Webber, AT&T witness Mark Van De Water, and Sprint witness Kent W. Dickerson. In doing so I discuss collocation cost inputs included in the BACE model, as well as respond to the suggestions that competitive

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carriers are "impaired" due to collocation issues in BellSouth's central offices. These issues range from the availability of sufficient collocation space, to BellSouth's ability to handle the additional demand for collocation services that will result from a "no impairment" finding. I point out the errors in these witnesses testimony and explain how BellSouth is prepared to handle any collocation issues that may arise as a result of these proceedings. I also discuss cross connection issues that these witnesses raise, and demonstrate that BellSouth is addressing these issues appropriately.

I also note again, as I stated in my rebuttal, the only collocation issue related to impairment is "whether a lack of sufficient collocation space gives rise to impairment in [a] market." TRO ¶ 472. The availability of sufficient collocation space in BellSouth's Florida central offices is not a problem and certainly does not give rise to impairment. Notably, none of the CLEC witnesses refer to a single instance of an alleged space availability issue. Moreover, BellSouth has consistently achieved excellent results with respect to the collocation performance measurements established by this Commission. No one has presented any evidence that would lead to a contrary conclusion, whether they are speaking about now or the foreseeable future.

Collocation Cost Issues

Q: PLEASE ADDRESS SPRINT WITNESS MR. DICKERSON'S DISCUSSION OF COLLOCATION COSTS.

A. Mr. Dickerson's rebuttal testimony includes an analysis of certain collocation cost inputs. Mr. Stegeman addresses Mr. Dickerson's testimony in some detail, but let me reiterate the collocation costs that have been included in the inputs to the BACE model. BellSouth provided the following inputs to the BACE model, which are included as part of the ColloBuildOut cost element. Each item listed is assumed with a quantity as one unless otherwise listed:

1. Initial Application Fee
2. Space Preparation – Firm Order Processing
3. Security Access System – New Access Card activation, per card (used 4 cards)
4. Space Availability Report per premise – per CO per request
5. Nonrecurring Collocation Cable Records - VG/DS0 Cable, per cable record, per CO, per request
6. Nonrecurring Collocation Cable Records
7. Cable records-VG/DSO Cable, per each 100 pair
8. Cable records DS1-per T1TIE
9. Cable records-DS3 per T3TIE

In addition, BellSouth provided inputs relating to both recurring and non-recurring costs associated with 2W, 4W, DS1, and DS3 cross connects.

Finally, BellSouth provided input for the monthly recurring collocation cost element, which includes the following: (a) space preparation, central office modification per square feet; (b) space preparation – common systems modification per square foot/cageless; (c) floor space per square feet; (d) power

– 48V DC power, per fused amp; (e) security system per central office per assignable square feet; (f) security access system – new access card activation per card. With respect to the recurring collocation cost inputs, BellSouth believes that 100 square feet per collocation site, 60 fused amps of power per site, and 4 security cards are appropriate assumptions. All of the collocation "cost" inputs are based on the collocation cost studies and resulting rates approved by this Commission.

The fact is, the BACE model already includes, and incorporates all appropriate collocation costs. There is no need, and it would be inappropriate to attempt to add more. Doing so would be to overstate the collocation components necessary to efficiently compete.

Q: DO YOU HAVE ANY OVERALL COMMENTS CONCERNING COLLOCATION COSTS?

A. I do. Some of the most important wire-center related cost factors for an efficient CLEC to consider, in addition to collocation costs, include loop costs and transport costs. With respect to collocation costs, there is very low variability in collocation costs per wire center. In other words, collocation costs are about the same in a Zone 1 wire center as in a Zone 3 wire center. In reference to the testimony of Dr. Pleatsikas, I would like to observe that both collocation and transport costs exhibit economies of scale because both collocation and transport costs are relatively similar across wire centers.

Rebuttal Testimony of MCI Witness James D. Webber

Q. MR. WEBBER TAKES ISSUE WITH THE FACT THAT MCI WOULD HAVE TO BUILD OUT ADDITIONAL COLLOCATION AND TRANSPORT FACILITIES OR GAIN ACCESS TO EELS IF THIS COMMISSION WERE TO FIND THAT THERE IS NO IMPAIRMENT WITHOUT ACCESS TO UNBUNDLED LOCAL SWITCHING ("ULS"). PLEASE COMMENT.

A. While Mr. Webber is correct that MCI would need to use other means, besides UNE-P, to serve its customer base if this Commission determines that CLECs are not impaired without access to ULS, Mr. Webber ignores the fact that in all but two BellSouth wire centers, there is no impediment to adding collocation space. I understand that those two wire centers are in markets where Ms. Tipton demonstrates that the FCC's "triggers" are met, meaning that these limitations have evidently not acted as a barrier to competition in these markets.

Moreover, that MCI has chosen not to collocate in all of the BellSouth wire centers that serve its UNE-P customers, nor ordered any EELs to serve these customers, is a problem of MCI's own making, and in the context of this proceeding, this is irrelevant. MCI has had, and will continue to have, very little incentive to collocate its equipment in these other wire centers or request EELs from BellSouth as long as ULS and UNE-P are available.

Rebuttal Testimony of AT&T Witness Mark David Van De Water

Q. ON PAGE 14, MR. VAN DE WATER ASSERTS THAT BELLSOUTH DOES NOT PROVIDE CROSS-CONNECTIONS BETWEEN THE COLLOCATED FACILITIES OF TWO CLECS ON A TIMELY BASIS. PLEASE COMMENT.

A. Mr. Van De Water is wrong. He is evidently talking about what BellSouth refers to as "Co-Carrier Cross Connects" ("CCXCs"), which are cross-connects placed between two different CLECs' collocated arrangements within the same BellSouth central office. BellSouth does not control the timeliness of the provisioning of the CCXC, the requesting CLEC does. BellSouth permits a CLEC to engage a BellSouth Certified Supplier ("supplier"), which may be the CLEC's own technicians if the CLEC has been certified by BellSouth as such, to provision the necessary cabling directly between its collocation space and that of another CLEC within the same central office. If the two collocation spaces are not contiguous, then the supplier must run the appropriate optical or electrical cabling between the two CLEC spaces utilizing BellSouth's cable support structure. If the two collocation spaces are contiguous, then the CLEC's supplier may place a cable directly between the two arrangements, without having to place the cabling in the BellSouth cable support structure. Therefore, if AT&T wished to place a CCXC between its collocation space and that of another CLEC, it would need to engage a supplier (or use its own technicians if AT&T has been certified as a supplier) to provision a cable directly between its collocation space and the other CLEC's space. The amount of time that would be required to place the cabling would be negotiated between AT&T and its supplier, since it will be the supplier that will be provisioning the cabling. Thus,

the timeliness of provisioning the CCXC would not be controlled by BellSouth, but would be determined by AT&T and its supplier.

Q. ON PAGE 14, MR. VAN DE WATER CITES PARAGRAPH 514 OF THE FCC'S TRO AS REQUIRING BELLSOUTH TO "*PROVIDE CROSS-CONNECTIONS*" BETWEEN THE CLECS (emphasis in original). WHAT ARE THE FCC'S RULES REGARDING BELLSOUTH'S OBLIGATION TO "PROVIDE CO-CARRIER CROSS-CONNECTIONS"?

A. 47 C.F.R. § 51.323(b)(h) states:

> (h) As described in paragraphs (1) and (2) of this section, an incumbent LEC shall permit a collocating telecommunications carrier to interconnect its network with that of another collocating telecommunications carrier at the incumbent LEC's premises and to connect its collocated equipment to the collocated equipment of another telecommunications carrier within the same premises, provided that the collocated equipment is also used for interconnection with the incumbent LEC or for access to the incumbent LEC's unbundled network elements.
>
> (1) An incumbent LEC shall provide, at the request of a collocating telecommunications carrier, a connection between the equipment in the collocated spaces of two or more

telecommunications carriers, ***except to the extent the incumbent LEC permits the collocating parties to provide the requested connection for themselves or a connection is not required under paragraph (h)(2) of this section.*** Where technically feasible, the incumbent LEC shall provide the connection using copper, dark fiber, lit fiber, or other transmission medium, as requested by the collocating telecommunications carrier. (emphasis added)

(2) ***An incumbent LEC is not required to provide a connection between the equipment in the collocated spaces of two or more telecommunications carriers if the connection is requested pursuant to section 201 of the Act, unless the requesting carrier submits to the incumbent LEC a certification that more than 10 percent of the amount of traffic to be transmitted through the connection will be interstate.*** The incumbent LEC cannot refuse to accept the certification, but instead must provision the service promptly. Any incumbent LEC may file a section 208 complaint with the Commission challenging the certification if it believes that the certification is deficient. No such certification is required for a request for such connection under section 251 of the Act. (emphasis added)

Q. DOES BELLSOUTH COMPLY WITH THE FCC'S RULES?

A. Yes. BellSouth permits collocated CLECs to provision the necessary CCXCs themselves, in compliance with 47 C.F.R. § 51.323(b)(h)(1).

Q. WHAT ABOUT THE FCC'S REQUIREMENT UNDER 47 C.F.R. § 51.323 (b)(h)(2)? HAS BELLSOUTH FILED A SECTION 201 CCXC OFFERING IN ITS FCC TARIFF NO. 1?

A. Yes. BellSouth recently filed its Section 201 CCXC tariff offering in FCC Tariff No. 1 as required by 47 C.F.R. § 51.323(b)(h)(2). In order to differentiate the tariff offering, CCXCs offered pursuant to the tariff are called "Intra-Office Collocation Cross Connects." This tariff is in effect, so AT&T and other CLECs can place orders pursuant to the Section 201 tariff offering. However, as the FCC has stated in its rules, any CLEC that orders this product must certify that more than 10% of the traffic transmitted over this intra-office cross connection will be interstate.

Q. ON PAGES 14 – 15, MR. VAN DE WATER IMPLIES THAT IF BELLSOUTH DOES NOT PROVIDE THESE CO-CARRIER CROSS CONNECTIONS, CLECS WILL NOT BE ABLE TO PARTNER WITH OTHER CLECS TO OFFER VOICE AND DATA SERVICES. IS THIS TRUE?

A. No. First, BellSouth complies with the FCC rule requiring it to allow CLECs to install CCXCs. Also, as I have described above, there are several options available to AT&T (and other CLECs) that allow CLECs to partner with each

other to offer voice, data and any other type of telecommunications service to their customers.

Q. IS MR. VAN DE WATER'S STATEMENT, ON PAGE 15 OF HIS TESTIMONY, THAT BELLSOUTH'S NEW FCC TARIFFED "SPECIAL ACCESS PRODUCT" REQUIRES CLECS TO CERTIFY THAT THE TRAFFIC CARRIED ON THAT CFA TO CFA CONNECTION MEETS THE FCC'S DE MINIMUS (10%) INTERSTATE RULE CORRECT?

A. Yes. As I stated above, the Intra-Office Collocation Cross Connect Service reflected in Section 13 of BellSouth's FCC Tariff No. 1 was filed pursuant to the FCC's Rules in 47 C.F.R. § 51.323(b)(h)(2), which requires that a carrier ordering this product must certify to BellSouth that more than 10% of the traffic transmitted over this intra-office cross connection will be interstate. This requirement is often referred to by the FCC as the "de minimus" rule. (This same rule has also been applied by the FCC for traffic that is being carried over special access facilities.) BellSouth included this requirement in order to comply with the FCC's Rules in 47 C.F.R. § 51.323(b)(h)(2), not because BellSouth wished to preclude carriers from requesting this service offering. CLECs also have access to CCXC pursuant to interconnection agreements with BellSouth and such arrangements do not contain the de minimus requirements of an interstate special access service.

Q. ON PAGE 15 OF HIS TESTIMONY, MR. VAN DE WATER STATES THAT BELLSOUTH'S NEW TARIFFED PRODUCT CANNOT BE ORDERED EFFICIENTLY. IS THIS TRUE?

A. No. If a collocated carrier wishes to place an order for BellSouth's tariffed Intra-Office Collocation Cross Connect Service, then it can do so by submitting an Access Service Request ("ASR") to BellSouth for this service, along with (1) a written certification that more than 10% of the amount of traffic to be transmitted through the Intra-Office Collocation Cross Connect will be interstate traffic, and (2) a Letter of Authorization ("LOA") from the receiving collocated carrier that includes the appropriate CFA and collocation arrangement CLLI (or ACTL) that BellSouth is authorized to use for interconnecting the networks and/or equipment of the two collocated carriers. It is not a complicated process.

Q. MR. VAN DE WATER ALLEGES THAT SINCE A UNE LOOP IS ORDERED ON AN LSR, BELLSOUTH WILL REQUIRE THAT THE CROSS CONNECTION BETWEEN TWO CLECS THAT WISH TO "SPLIT" THE LOOP MUST BE ORDERED AND PROVISIONED OUT OF THE FCC ACCESS TARIFF USING AN ACCESS SERVICE REQUEST ("ASR"). PLEASE COMMENT.

A. As I explained above, the Intra-Office Collocation Cross Connect Service is a tariffed interstate service offering that BellSouth is making available to satisfy the FCC's Section 201 requirements, pursuant to the FCC Rules in 47 C.F.R. § 51.323(b)(h)(2). There is no mandate set forth by the FCC that requires BellSouth to offer Intra-Office Collocation Cross Connect Service (or CCXC

Service) as a UNE, unless BellSouth refuses to permit collocated carriers to self-provision CCXCs between their collocation spaces in the central office. BellSouth has allowed (for several years), and will continue to allow, the collocators to self-provision CCXCs between their individual collocation arrangements. As I have already stated in my testimony, pursuant to 47 C.F.R. § 51.323(b)(h)(1), if BellSouth permits the collocators to self-provision CCXCs between their collocation arrangements in BellSouth's central offices, then BellSouth is not required to provision CCXCs for the collocators. Thus, if a requesting CLEC wishes to provide voice over a UNE loop and "split" the line with a data CLEC, it may do so within its collocation space and self-provision a CCXC between its space and that of the data CLEC.

Q. MR. VAN DE WATER CONTENDS THAT THERE WILL BE NO MEANS OF ELECTRONICALLY ORDERING SUCH AN ARRANGEMENT TO ESTABLISH WORKING SERVICES FOR THE CUSTOMER. IS HE CORRECT?

A. No. BellSouth's tariffed Intra-Office Collocation Cross Connect Service must be ordered electronically using an ASR.

Q. MR. VAN DE WATER INDICATES THAT IN ORDER FOR THE TWO CLECS TO "SPLIT" THE LOOP BETWEEN THEM, BOTH CLECS MUST ISSUE AN LSR AND THEN ONE OF THE CLECS MUST ISSUE AN ASR. IS THIS TRUE?

A. It depends upon how the two CLECs determine they will "split" the loop. It would appear to BellSouth that the most efficient means of accomplishing a "split" of the

loop (which would presumably be ordered as a UNE-L) would be for the "loop splitting" CLEC (the CLEC that has the loop splitting equipment located in its collocation space) to order the loop, perform the "loop splitting" function and send the agreed-upon split portion of the loop (either voice or data traffic) to the receiving CLEC via a CCXC between the two collocated CLECs, if both CLECs are collocated in the same central office. If the receiving CLEC is not collocated in the same office or has a Point of Presence ("POP") located outside the BellSouth central office, then the "loop splitting" CLEC could send the agreed-upon split portion of the loop to the receiving CLEC via a UNE transport service (which may be an EEL) that either terminates to the receiving CLEC's POP or the receiving CLEC's collocation space in another BellSouth central office.

If the CLECs determined that they wished to order an Intra-Office Collocation Cross Connect, then it would seem likely to BellSouth that the ordering CLEC would need to be the "loop splitting" CLEC, as well as the CLEC that places the order for the loop that is to be split between the two CLECs. In this case, the ordering CLEC would perform the loop splitting function and then send the agreed-upon split portion of the loop to the receiving CLEC via the Intra-Office Collocation Cross Connect. It would then be up to the receiving CLEC to place this traffic on whatever transport facilities it has to route its traffic to its switch or other equipment. This arrangement requires the "loop splitting" CLEC to issue one LSR and arrange for its vendor to install a CCXC to the data CLEC's collocation space.

Q. MR. VAN DE WATER SPECULATES THAT BELLSOUTH'S TARIFFED PRODUCT WILL CREATE "OPERATIONAL AND ECONOMIC BARRIERS TO PROVIDING DSL SERVICES TO MASS MARKET CUSTOMERS." DO YOU AGREE?

A. No. There are several alternatives available to CLECs that wish to provide DSL services to mass market customers. I noted two such alternatives in the discussion above regarding the means by which two CLECs could "split" a loop between them by utilizing a CCXC placed by the CLECs or by ordering a BellSouth Intra-Office Collocation Cross Connect from BellSouth FCC Tariff No. 1. CLECs can also request cageless or virtual collocation space in increments as small as that required for a single bay or rack of equipment in those central offices in which they desire to serve mass market customers.

Q. MR. VAN DE WATER ALLEGES THAT "BELLSOUTH'S PROPOSED POLICIES AND PRACTICES FOR THIS SERVICE ARE DESIGNED TO COMPLICATE AND HINDER THE PROVISION OF LINE SPLITTING SERVICE TO CLEC CUSTOMERS AND SHOULD BE REJECTED BY THIS COMMISSION." DO YOU AGREE?

A. Absolutely not. As I have already explained above, BellSouth's Intra-Office Collocation Cross Connect Service offering was filed by BellSouth to comply with 47 C.F.R. § 51.323(b)(h)(2), which requires BellSouth to file a Section 201 CCXC (which is called an Intra-Office Collocation Cross Connect in the tariff) offering in its FCC Tariff No. 1. It was not designed, nor contemplated, by BellSouth to

complicate or hinder the provisioning of loop (line) splitting service to a CLEC's customers. CLECs can still self-provision CCXCs pursuant to an interconnection agreement.

Q. ON PAGE 21, MR. VAN DE WATER STATES THAT BELLSOUTH HAS FAILED TO CONSIDER IN ITS HOT CUT FORECAST THAT CLECS MAY NOT HAVE THE COLLOCATED FACILITIES AND NETWORK EQUIPMENT IN PLACE TO SUPPORT THE MIGRATION OF THE EMBEDDED BASE OF UNE-P CUSTOMERS OVER TO CLECS' FACILITIES. DO YOU AGREE?

A. No, I do not. As discussed in the testimony of BellSouth's witnesses Ken Ainsworth and Al Heartley, BellSouth has estimated the number of hot cuts that would be needed to transfer the embedded UNE-P base to UNE-L over the three seven month periods outlined in the TRO. In some cases, as Mr. Van De Water has stated, the CLECs may not currently have the necessary collocated facilities and network equipment in place to support the migration of the embedded base of UNE-P customers; however, if the CLEC requires new or additional collocation space for the placement of its network equipment to achieve the migration of its UNE-P customers over to UNE-L, BellSouth would be required by this Commission to complete any requests for collocation space within the Commission-ordered provisioning intervals (which are dependent upon the type of collocation space requested – i.e., virtual, caged or cageless) or pay substantial penalties for missing these intervals. As soon as BellSouth receives orders for collocation space from the CLEC, BellSouth begins preparing the space to meet the specifications requested by the CLEC. In addition, the CLEC

can request permission to occupy the requested space prior to BellSouth's completion of the space provisioning. BellSouth's outstanding performance in timely delivering collocation space pursuant to measures established by this Commission speaks for itself. BellSouth stands ready to meet CLEC demand for new or augmented collocation arrangements.

Q. IS THERE ANY OTHER TYPE OF ARRANGEMENT, BESIDES COLLOCATION, THAT CAN BE USED BY A CLEC TO MIGRATE ITS EMBEDDED UNE-P BASE TO UNE-L SERVICE?

A. Yes. It is my understanding that a CLEC may also order EELs from its end user at the DS0 level (which may or may not terminate into the CLEC's collocation space) to its switch, POP or other designated location as a means of converting its embedded UNE-P base to UNE-L service. As noted above, the transport piece of the EEL may terminate to the CLEC's collocation space or, if ordered as special access, it may terminate directly at the CLEC's POP.

Q. MR. VAN DE WATER CONTENDS THAT BEFORE CLECS CAN ISSUE CONVERSION ORDERS, THEY MUST ESTABLISH NEW COLLOCATION FACILITIES AND/OR AUGMENT EXISTING ARRANGEMENTS. IS THIS TRUE?

A. It depends. If a CLEC already has sufficient collocation space in the central offices that serve its mass market customers, then there would be no need for the CLEC to augment its existing space. However, if the CLEC does not have

collocation space in a particular office or does not have sufficient space in a particular office to serve its mass market customers, then the CLEC must request a new collocation arrangement, augment an existing collocation arrangement or use EELs to reach these customers. As I have already explained above, the length of time to provision collocation space is determined by intervals established by this Commission.

Q. AT THE BOTTOM OF PAGE 21 OF HIS TESTIMONY, MR. VAN DE WATER OPINES THAT THE CLECS' ABILITY TO TRANSITION ITS EMBEDDED UNE-P BASE TO UNE-L ON ANY KIND OF A BALANCED SCHEDULE WILL BE AFFECTED BY SEVERAL COLLOCATION-RELATED FACTORS. PLEASE COMMENT.

A. The factors Mr. Van De Water lists - BellSouth's ability to manage and keep up with collocation demand, the ability of BellSouth's approved vendors to establish collocation arrangements, and the ability of the CLEC's manufacturer's to deliver and install equipment in the CLEC's new/expanded collocation space - are indeed outside the CLEC's control. However, what Mr. Van De Water fails to acknowledge, is that in this proceeding the Commission's only task concerning collocation is to determine whether or not sufficient space is available in BellSouth's central offices to ensure that collocation does not pose a barrier to competitive entry. Other factors are simply not relevant to this proceeding. It bears repeating, as BellSouth witness John Ruscilli noted in his direct testimony, BellSouth has collocation space available in all of its central offices in Florida, with the exception of the two that are currently reflected on BellSouth's space

exhaust list (one of which will be coming off the list within the next couple of months). Furthermore, as BellSouth witness Al Varner points out in his direct testimony, BellSouth has achieved excellent results, as evidenced by the Self-Effectuating Enforcement Mechanism ("SEEMS") plan in Florida, by meeting 100% of its collocation provisioning interval requirements, which have been set by this Commission.

Concerning the last factor, BellSouth has no control over a CLEC's equipment manufacturer's ability to deliver and install equipment in the CLEC's collocation space. This transaction would have to be handled directly between the CLEC and its chosen equipment manufacturer. However, this factor would not affect BellSouth's ability to complete the required provisioning of the collocation space requested for occupancy by the CLEC.

Q. ON PAGE 22, MR. VAN DE WATER SUGGESTS THAT THE AMOUNT OF TIME TO ESTABLISH THE NECESSARY COLLOCATION ARRANGEMENTS AND INSTALL THE NECESSARY FACILITIES MAY RESULT IN THE NEED FOR UNE-L CONVERSIONS IN THESE OFFICES TO BE "BACK-LOADED" AT THE END OF THE SCHEDULE. DO YOU AGREE?

A. No. If the CLEC requires new or additional collocation space for the placement of its network equipment to achieve the migration of its UNE-P customers over to UNE-L, BellSouth must complete any requests for collocation space within the Commission-ordered provisioning intervals or pay SEEMs penalties for its

inability to meet these intervals. Therefore, BellSouth has every incentive to timely provision collocation applications as such applications are received.

Q. WOULD HAVING MORE CONVERSIONS "BACK-LOADED" AT THE END OF THE TWENTY-SEVEN (27) MONTH PERIOD SPECIFIED BY THE FCC RESULT IN AN UNDERSTATEMENT OF BELLSOUTH'S ACTUAL STAFFING NEEDS, AS MR. VAN DE WATER SPECULATES?

A. It might, if one believed the assumption upon which Mr. Van De Water relies. I do not agree, however, with Mr. Van De Water's contention that UNE-P to UNE-L conversions associated with all of the BellSouth central offices in which the CLEC has requested new collocation space or the augmentation of existing collocation arrangements would take an inordinate amount of time and result in a delay of the migration. There is no reason for a CLEC to experience a delay in the provisioning of the collocation space, pursuant to the Commission-ordered intervals, unless it is the CLEC that has caused the delay by not submitting its orders for the space in the time that is necessary for BellSouth to complete its space preparation activities.

Q. ON PAGE 31, MR. VAN DE WATER STATES THAT BELLSOUTH HAS FAILED TO DISCUSS HOW IT WILL HANDLE "THE SURGE OF APPLICATIONS FOR NEW COLLOCATION ARRANGEMENTS AND AUGMENTATIONS OF EXISTING COLLOCATIONS. . ." PLEASE COMMENT.

A. BellSouth has not discussed the means by which additional applications for new collocation arrangements will be handled in this proceeding, because BellSouth's

processing of future collocation applications is not anticipated to change from BellSouth's current procedure for handling collocation applications. Whether or not there is a surge of requests for new collocation applications and/or augmentations applications in the future, BellSouth is prepared to handle these applications utilizing its existing processes. If, as a result of a significant increase in the number of applications received by BellSouth, there becomes a need for BellSouth to increase its current staffing levels, BellSouth is prepared to do so. Also, BellSouth is continually analyzing and updating its electronic ordering system, called the e.App system, for the processing of collocation applications to ensure that BellSouth uses the most efficient means of processing all requested applications.

Q. WILL BELLSOUTH STILL BE REQUIRED TO MEET THE COLLOCATION INTERVALS SET BY THIS COMMISSION IF THERE IS A SURGE IN THE NUMBER OF FUTURE APPLICATIONS?

A. Yes. BellSouth will still be required to comply with the ordering and provisioning intervals established by this Commission, as set forth in the BellSouth Service Quality Measurements ("SQM") document, for collocation. Furthermore, if BellSouth fails to meet the Commission-ordered provisioning intervals, then BellSouth must pay SEEMs penalties for its inability to meet these intervals.

Q. ON PAGE 31, MR. VAN DE WATER ALSO STATES THAT BELLSOUTH HAS NOT MENTIONED "THE NEED TO PLAN AND CONSTRUCT NECESSARY

ADDITIONS TO ITS CENTRAL OFFICE BACK-UP POWER PLANTS." PLEASE COMMENT.

A. BellSouth's central office managers consistently monitor the current power usage of BellSouth's individual power plant needs, as well as what the future power plant needs are expected to be. Power plant forecasts are developed after BellSouth's network and facility planners have determined what equipment and facilities are anticipated to be installed by BellSouth and the CLECs in the near and distant future. To the extent BellSouth has received any forecast information from CLECs, such forecast information is also included in the forecast developed by BellSouth. In other words, BellSouth forecasts the demand for DC (direct current) power for each central office to determine if, and when, the existing power plant will need to be upgraded or a new power plant will need to be installed. If it appears that an upgrade or the installation of a new power plant is required immediately or sometime in the current year at a specific central office or a group of central offices, these requirements are communicated to BellSouth's network managers and included in the appropriate budget that is submitted to BellSouth's Network and Finance organizations for approval. As soon as the approval has been granted, the central office managers move forward with the necessary upgrade to the existing power plant or the installation of a new power plant.

Q. AT THE BOTTOM OF PAGE 31, MR. VAN DE WATER CLAIMS THIS COMMISSION CANNOT DETERMINE HOW MANY NEW CLECS

BELLSOUTH'S CENTRAL OFFICES CAN ACCOMMODATE IN THE FUTURE. PLEASE COMMENT.

A. This claim is simply a distraction. BellSouth has not stated how much collocation space is available in its central offices in Florida, because, as stated in BellSouth's response to AT&T Interrogatory No. 40 in AT&T's 1st Set of Interrogatories, BellSouth does not keep a running total of how much collocation space is available in each central office. The amount of space available for collocation in each individual central office could conceivably change from day to day or even many times throughout the day, depending upon the number of applications BellSouth receives from CLECs and other carriers for new collocation space, augmentation or termination of existing collocation space, and the reservation of future collocation space (up to 18 months). The amount of space available in an individual central office would also change based on space that is utilized or reserved (up to 18 months) by BellSouth for its own operations during the course of the day. Therefore, even if BellSouth were to prepare a report listing the amount of space available for collocation in BellSouth's central offices in Florida, such a report would quickly become obsolete as a result of ongoing activity. The reality is that BellSouth is committed to taking all reasonable measures to ensure that CLECs have adequate space to collocate in BellSouth's central offices.

BellSouth provides space availability information to CLECs and other carriers via a "Space Availability Report" pursuant to CFR §51.323. Upon request from a carrier, BellSouth will provide a written report describing in detail the space that

is available for collocation at a particular central office. This report includes not only the amount of collocation space available at the central office requested, but also the number of collocators present at the central office, any modifications in the use of the space since the last report on the central office requested (if a previous report had been performed), and the measures BellSouth is taking to make additional space available for collocation arrangements.

Q. ON PAGE 32, MR. VAN DE WATER SUGGESTS THAT BELLSOUTH'S CURRENT PERFORMANCE RESULTS HAVE LITTLE RELEVANCE IN AN ENVIRONMENT THAT IS MUCH MORE DEPENDENT UPON TIMELY COLLOCATION INSTALLATIONS. DO YOU AGREE?

A. No. BellSouth's current performance demonstrates that BellSouth is extremely committed to providing carriers with collocation space in its central offices as quickly as possible and in accordance with the provisioning intervals ordered by this Commission. Mr. Van De Water implies that this will change if BellSouth experiences an increase in the number of collocation applications it receives, which Mr. Van De Water is assuming will be significantly greater than the number of current applications being processed by BellSouth today. Mr. Van De Water neglects to mention, however, that if BellSouth fails to meet the performance standards ordered by this Commission, BellSouth must pay SEEMs penalties to those CLECs that are directly affected by BellSouth's inability to complete the CLECs' collocation arrangements within the required provisioning intervals. Consequently, BellSouth has no incentive to delay the provisioning of a CLEC's requested collocation space and every incentive to continue to provision space on a timely basis.

Q. MR. VAN DE WATER STATES THAT "BELLSOUTH HAS PROVIDED NO DETAILS ON HOW IT PLANS TO MANAGE INCREASED DEMAND FOR COLLOCATION OR WHAT IT ESTIMATES THAT DEMAND TO BE." PLEASE COMMENT.

A. Since I have already responded to this issue, I will only reiterate here that if BellSouth does not have the appropriate level of work forces it needs to support an increase in collocation applications, then BellSouth will take whatever action is necessary to ensure that these collocation applications will be processed within the ordering and provisioning intervals established by this Commission.

Q. FINALLY, MR. VAN DE WATER OPINES THAT IF BELLSOUTH CANNOT PROVIDE COLLOCATION IN A TIMELY MANNER, THEN BELLSOUTH'S ABILITY TO PERFORM HOT CUTS BECOMES A MOOT POINT. PLEASE COMMENT.

A. Obviously, I do not agree with Mr. Van De Water's conclusion that BellSouth may be unable to provide collocation in a timely manner. There is no reason to believe, nor has Mr. Van De Water offered any evidence to the contrary, that BellSouth cannot fulfill its obligations to make collocation space available to CLECs in BellSouth's central offices in Florida. Therefore, collocation should not even be a factor in this Commission's determination of whether BellSouth can perform the necessary hot cuts that will be required to convert the embedded UNE-P customer base to UNE-L.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.