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June 27, 1994

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Docket No. 881074-TP

Dear Mrs. Bayo:

Enclosed please find an original and fifteen copies of BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's Rebuttal Testimonies of David Denton and Jerry Hendrix to be filed in the above mentioned docket for the Commission's consideration.

A copy of this letter is enclosed. Please indicate on the copy that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

- ACK _____
- AFA 2
- APP _____
- CAF _____
- CMU Ruth
- CTE Enclosures
- E _____
- L cc: H. R. Anthony
- L Conroy M. Lombardo
- L Orin R. Douglas Lackey
- C _____
- F _____
- G _____
- W S _____
- OTH _____

Sincerely,
Mary Jo Peed
Mary Jo Peed

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Hendrix DOCUMENT NUMBER-DATE *Denton* DOCUMENT NUMBER-DATE
 06367 JUN 27 88 06366 JUN 27 88
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CERTIFICATE OF SERVICE
Docket No. 921074-TP

I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 27th day of June, 1994, to:

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Mary Jo Peed (pm)

ORIGINAL
FILE COPY

1 SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

2 REBUTTAL TESTIMONY OF DAVID B. DENTON

3 BEFORE THE

4 FLORIDA PUBLIC SERVICE COMMISSION

5 DOCKET NO. 921074-TP

6 June 27, 1994

7

8 Q. WILL YOU PLEASE STATE YOUR NAME AND BUSINESS

9 ADDRESS?

10

11 A. I AM DAVID B. DENTON. MY BUSINESS ADDRESS IS 675

12 WEST PEACHTREE STREET, ATLANTA, GEORGIA.

13

14 Q. DID YOU FILE DIRECT TESTIMONY IN THIS DOCKET?

15

16 A. YES, I DID.

17

18 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

19

20 A. THE PURPOSE OF MY REBUTTAL TESTIMONY IS TO REBUT

21 CERTAIN POSITIONS TAKEN BY VARIOUS PARTIES IN THIS

22 DOCKET.

23

24 Q. MR. GUEDEL FOR AT&T TAKES THE POSITION THAT

25 COLLOCATORS SHOULD NOT BE REQUIRED SPECIFICALLY

DOCUMENT NUMBER-DATE

06366 JUN 27 8

FPSC-RECORDS/REPORTING

1 TO ALLOW THE LECs TO INTERCONNECT WITH THEIR
2 NETWORKS AND MR. ANDREASSI TAKES THE POSITION ON
3 BEHALF OF TELEPORT THAT SINCE ALL THOSE WHO
4 COLLOCATE AT LEC CENTRAL OFFICES ARE NON-DOMINANT
5 CARRIERS, THERE SHOULD BE NO REQUIREMENT TO ALLOW
6 LECs OR OTHER PARTIES TO INTERCONNECT WITH THEIR
7 NETWORKS. DO YOU AGREE WITH THESE POSITIONS?

8
9 A. NO, I DO NOT. THE PURPOSE OF EXPANDED
10 INTERCONNECTION IS NOT TO SIMPLY "FACILITATE THE
11 ENTRY OF POTENTIAL COMPETITORS INTO THE MONOPOLY
12 PRESERVES OF THE LECs" AS STATED BY MR. GUEDEL FOR
13 AT&T. THE TRUE PURPOSE OF EXPANDED
14 INTERCONNECTION, AS SET FORTH BY THIS COMMISSION'S
15 ORDER ON PRIVATE LINE AND SPECIAL ACCESS
16 COLLOCATIONS, IS SO THAT:

17
18 ...THE ADOPTION OF A COMPETITIVE
19 REGULATORY MODEL FOR PRIVATE LINE
20 AND SPECIAL ACCESS SERVICES WILL
21 BENEFIT FLORIDA'S LONG TERM
22 TELECOMMUNICATIONS INFRASTRUCTURE
23 AND THE USERS OF TELECOMMUNICATIONS
24 SERVICES. EXPANDING COMPETITIVE
25 OPPORTUNITIES FOR SPECIAL ACCESS AND

1 PRIVATE LINE WILL BENEFIT END USERS
2 THROUGH:

- 3
- 4 1. INCREASED CUSTOMER CHOICE;
 - 5 2. INTRODUCTION OF NEW SERVICES AND
6 TECHNOLOGIES;
 - 7 3. PRICE COMPETITION;
 - 8 4. DIVERSIFICATION AND NETWORK
9 REDUNDANCY;
 - 10 4. PRIVATE INVESTMENT IN THE
11 FLORIDA INFRASTRUCTURE;
 - 12 6. INCREASED SERVICE AND QUALITY;
 - 13 7. GREATER RESPONSIVENESS TO END
14 USER NEEDS; AND
 - 15 8. IMPROVED EFFICIENCY.
- 16

17 THE SAME IS TRUE FOR SWITCHED ACCESS COLLOCATION.
18 PUT SIMPLY, THIS COMMISSION'S COLLOCATION POLICY IS
19 THAT COLLOCATION SHOULD FOSTER COMPETITION TO
20 BENEFIT CUSTOMERS. IT IS NOT TO BENEFIT
21 COMPETITORS.

22

23 Q. HOW DO YOU RESPOND TO MR. GUEDEL'S ALLEGATION THAT
24 BY REQUIRING RECIPROCAL ARRANGEMENTS THE
25 DEVELOPMENT OF COMPETITION WOULD BE FRUSTRATED

1 RATHER THAN ENCOURAGED?

2

3 A. NOTHING COULD, IN FACT, BE FURTHER FROM REALITY.
4 SOUTHERN BELL HAS HAD, AND WILL CONTINUE TO HAVE,
5 CUSTOMERS WHOSE REQUESTS FOR SPECIFIC NETWORK
6 DESIGNS REQUIRE COLLOCATION WITH OTHER
7 TELECOMMUNICATIONS SERVICE PROVIDERS. IF THIS
8 COMMISSION DETERMINES THAT RECIPROCAL COLLOCATION
9 IS NOT APPROPRIATE, THESE END USER CUSTOMERS COULD
10 HAVE THEIR TELECOMMUNICATIONS CHOICES ARTIFICIALLY
11 CONSTRAINED BECAUSE THE OTHER TELECOMMUNICATIONS
12 SERVICES PROVIDERS COULD IMPOSE TERMS AND
13 CONDITIONS FOR COLLOCATION WHICH WOULD PRICE
14 SOUTHERN BELL'S RESPONSE OUT OF THE MARKET.

15

16 Q. DO YOU AGREE WITH MR. ANDREASSI'S POSITION THAT A
17 RECIPROCAL INTERCONNECTION REQUIREMENT IS
18 UNNECESSARY?

19

20 A. AGAIN, NO. MR. ANDREASSI FROM TELEPORT MAKES THE
21 ARGUMENT THAT THE LECs ARE THE "MONOPOLY PROVIDERS
22 OF ESSENTIAL BOTTLENECK FACILITIES" AND THAT THEY
23 MUST BE REQUIRED TO PROVIDE PHYSICAL COLLOCATION
24 FOR THIS REASON. FURTHER, HE STATES THAT NON-
25 DOMINANT, COMPETITIVE CARRIERS SUCH AS AAVs, NEED

1 NO SUCH REQUIREMENT BECAUSE THEY WOULD BE FOOLISH
2 TO REJECT COLLOCATION REQUESTS BECAUSE OF THE
3 ADDITIONAL REVENUES THEY PROVIDE. ON THE SURFACE
4 THIS MAY APPEAR TO BE LOGICAL, BUT IT GLOSSES OVER
5 THE FACT THAT WHOEVER CONTROLS A PARTICULAR
6 LOCATION OF COLLOCATION CAN INDEED LIMIT A
7 COMPETITOR'S ACCESS IF THE TERMS AND CONDITIONS FOR
8 COLLOCATION ARE NOT FORMALLY ESTABLISHED. IN OTHER
9 WORDS, UNDER MR. ANDREASSI'S APPROACH, AN AAV WOULD
10 BE FREE TO PRICE COLLOCATION AT PROHIBITIVE RATES,
11 TERMS OR CONDITIONS IF IT PERCEIVED THAT ITS
12 BUSINESS WOULD BE SERVED BY DOING SO IN A
13 PARTICULAR INSTANCE. THE BETTER APPROACH IS TO
14 AVOID THIS POSSIBILITY BY REQUIRING RECIPROCAL
15 COLLOCATION ON THE SAME TERMS AND RATES AS
16 COLLOCATION IS OFFERED BY THE LECS.

17

18 THE DISTINCTION BETWEEN DOMINANT AND NON-DOMINANT
19 CARRIERS ALSO FAILS BECAUSE THE ENTITY CONTROLLING
20 THE PARTICULAR SPACE DESIRED BY A COLLOCATOR COULD
21 USE THAT POSITION TO ITS STRATEGIC ADVANTAGE, NO
22 MATTER HOW LARGE OR SMALL THAT ENTITY MAY BE. BY
23 DENYING RECIPROCAL COLLOCATION AT A GIVEN LOCATION,
24 AN AAV, FOR EXAMPLE, COULD DENY THE LEC'S PROVISION
25 OF SERVICES AS A CUSTOMER OPTION, REGARDLESS OF THE

1 AAV'S RELATIVE MARKET SHARE.

2

3 AS I UNDERSTAND IT, THE GOAL OF THIS PROCEEDING IS
4 TO INCREASE COMPETITION SO AS TO BENEFIT CUSTOMERS.
5 UNLESS EXPANDED INTERCONNECTION IS AVAILABLE TO ALL
6 PARTIES ON THE SAME TERMS AND CONDITIONS, INCLUDING
7 THE LECs, THEN THIS PROCEEDING WILL FALL SHORT OF
8 ACHIEVING THAT KEY GOAL. MR. METCALF, WITNESS FOR
9 INTERMEDIA COMMUNICATIONS INC., AGREES WITH
10 SOUTHERN BELL ON THIS POINT. HE STATES IN HIS
11 DIRECT TESTIMONY THAT, "THE MORE COMPETITIVE
12 FLEXIBILITY THAT BOTH THE LECs AND THE AAVs HAVE,
13 THE BETTER - PARTICULARLY AS IT RELATES TO
14 COMPETING WITH VSAT AND MICROWAVE VENDOR".
15 ALTHOUGH MR. METCALF MADE THIS POINT IN REGARD TO
16 PRICING FLEXIBILITY, IT APPLIES EQUALLY TO
17 FLEXIBILITY IN PROMOTING COLLOCATION ARRANGEMENTS.
18 THEREFORE, IF THE PRIME BENEFACTORS OF EXPANDED
19 INTERCONNECTION ARE TO BE END USER CUSTOMERS, IT IS
20 NECESSARY TO REQUIRE RECIPROCAL COLLOCATION.

21

22 Q. MR. ANDREASSI HAS OBJECTED TO SOUTHERN BELL'S
23 TARIFF FOR SPECIAL ACCESS INTERCONNECTION BECAUSE
24 IT DOES NOT PROVIDE FOR INTERCONNECTION AT THE DSO
25 LEVEL. COULD YOU PLEASE EXPLAIN SOUTHERN BELL'S

1 POSITION ON INTERCONNECTION AT THE DS0 LEVEL?

2

3 A. SOUTHERN BELL'S POSITION IS THAT DS0 LEVEL
4 INTERCONNECTIONS SHOULD BE HANDLED ON A CENTRAL
5 OFFICE BY CENTRAL OFFICE BASIS. THIS IS DUE TO THE
6 POTENTIAL FOR SPACE EXHAUSTION PROBLEMS IF DS0
7 LEVEL INTERCONNECTION IS REQUIRED IN ALL
8 COLLOCATING CENTRAL OFFICES. ADDITIONALLY, SINCE
9 THE COMMISSION HAS ORDERED INTERCONNECTION FOR
10 FIBER ONLY DS0 FACILITIES FOR SPECIAL ACCESS
11 PURPOSES, THERE IS A STRONG LIKELIHOOD THAT THERE
12 WILL BE LITTLE OR NO DEMAND FOR DS0 INTERCONNECTION
13 IN MOST CENTRAL OFFICES. THERE IS NO REASON THAT
14 ANY REQUEST FOR DS0 INTERCONNECTIONS COULD NOT BE
15 HANDLED TO THE SATISFACTION OF THE COLLOCATORS ON A
16 CENTRAL OFFICE BY CENTRAL OFFICE BASIS. HOWEVER,
17 IF A DS0 LEVEL TARIFF IS REQUIRED, THEN ALL
18 NECESSARY PREPARATION AND COST DOCUMENTATION WOULD
19 HAVE TO BE PERFORMED TO SUPPORT A DS0 TARIFF
20 OFFERING EVEN IF THERE ARE FEW OR NO REQUESTS FOR
21 THIS SERVICE.

22

23 SOUTHERN BELL BELIEVES STRONGLY IN THE NEED FOR
24 CONSISTENCY WITH THE FCC ON THIS POINT. SOUTHERN
25 BELL SUPPORTS THE FCC'S APPROACH TO HANDLING

1 REQUESTS FOR "SPECIAL ACCESS SERVICES OTHER THAN
2 DS1 AND DS3 SERVICE" (WHICH INCLUDES DS0 SERVICE).
3 THE FCC HELD THAT A LEC SHALL FILE A TARIFF "WITHIN
4 45 DAYS OF RECEIPT OF A BONA FIDE REQUEST TO BE
5 EFFECTIVE UPON 45 DAYS NOTICE." SOUTHERN BELL
6 REQUESTS THAT THIS COMMISSION RESOLVE THIS ISSUE IN
7 A MANNER THAT IS CONSISTENT WITH THE FCC ORDER ON
8 INTERSTATE COLLOCATION.

9
10 Q. MR. ANDREASSI FROM TELEPORT ALSO OBJECTS TO
11 SOUTHERN BELL'S SPECIAL ACCESS INTERCONNECTION
12 TARIFF BECAUSE, HE CONTENDS, THE REQUIREMENT THAT
13 AN INTERCONNECTOR OCCUPY ITS SPACE WITHIN 60 DAYS
14 IS UNREASONABLE, AND PERMITS THE LEC TO FORCE
15 COLLOCATION IN ORDER TO "TRIGGER" PRICING
16 FLEXIBILITY FOR THE LECs. IS THIS VIEW CORRECT?

17
18 A. NO, IT IS NOT. MR. ANDREASSI HAS CONFUSED THE
19 FCC'S ORDER CONCERNING HOW PRICING FLEXIBILITY IS
20 "TRIGGERED" FOR INTERSTATE SPECIAL ACCESS SERVICES
21 WITH WHAT WAS ORDERED BY THIS COMMISSION. IN THE
22 ORDER ISSUED MARCH 10, 1994, THIS COMMISSION
23 GRANTED THE LECs "ZONE-PRICING" FLEXIBILITY AND
24 ORDERED THE LECs TO FILE PLANS AND ACCOMPANYING
25 TARIFF PROPOSALS. THUS, PENDING COMMISSION

1 APPROVAL OF THEIR TARIFF PROPOSALS, THE LECs
2 ALREADY HAVE PRICING FLEXIBILITY. THERE IS NO
3 REASON FOR THE LECs TO FORCE AN INTERCONNECTOR TO
4 ORDER COLLOCATION PREMATURELY IN ORDER TO GAIN
5 PRICING FLEXIBILITY.

6

7 Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?

8

9 A. YES, IT DOES.

10

11

12

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