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REBUTTAL TESTIMONY OF PAUL R. POWERS

ON BEHALF OF MCI

DOCKET NO. 960980-TP 960947

September 30, 1996

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Paul R. Powers and my business address is 8521 Leesburg Pike, Vienna Virginia.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes, I have previously adopted the direct testimony filed by Drew Caplan in this docket on August 26, 1996.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is respond to the testimony of Mr. Ries regarding GTE's proposed restrictions on collocation, to respond to Mr. Wood's testimony on various unbundling issues, and to respond to Mr. DellAngello's proposal for AIN unbundling.

Q. AT PAGES 7-8 AND 12-16 OF HIS TESTIMONY, MR. RIES STATES THAT ALECS SHOULD NOT BE PERMITTED TO PLACE ANY AND ALL KINDS OF EQUIPMENT IN COLLOCATED SPACE. WHAT IS MCI'S POSITION ON THE TYPE OF EQUIPMENT WHICH SHOULD BE PERMITTED IN COLLOCATED SPACE?

A. Throughout his testimony, Mr. Ries seems to focus merely on

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1 equipment which might be needed for interconnection. For example, at  
2 page 17, he criticizes AT&T for asking for more than what might be  
3 required for interconnection. While interconnection is clearly a critical  
4 issue, access to unbundled loops is also important for a fair competitive  
5 environment. At a minimum, MCI should be permitted to place in  
6 collocated space any equipment that is needed to allow MCI to  
7 efficiently access unbundled elements. GTE argues that only  
8 equipment that is technically necessary to provide basic transmission  
9 service, such as circuit termination equipment, should be permitted. If  
10 this were the case, MCI would not be able to access unbundled  
11 elements in an efficient and effective manner.

12  
13 One item in particular that it is critical for MCI to be able to place in  
14 collocated space is Digital Line Concentrator (DLC). The DLC allows  
15 MCI to concentrate loops and build its network in the most efficient  
16 manner possible. For example, with a DLC MCI would be able to  
17 transport to its switch from the GTE central office the equivalent of  
18 672 unbundled loops over as few as 4 T-1s. Without such  
19 concentration capability, MCI network costs will be significantly  
20 increased. In addition, the DLC allows MCI to create a compatible  
21 interface to its switches to support unique MCI products and services.

22  
23 GTE's position that only such equipment that is necessary to provide  
24 basic transmission service should be allowed would force MCI to build  
25 an inefficient network, thereby increasing costs to consumers. In

1            addition, MCI's ability to create innovative products and services would  
2            also be impaired.

3

4            Q.    AT PAGES 14-15 OF HIS TESTIMONY MR. RIES STATES THAT IT  
5            WOULD BE HARMFUL IF ALECS WERE ABLE TO PLACE ANY  
6            EQUIPMENT THEY WANTED IN COLLOCATED SPACE BECAUSE ONE  
7            COMPETITOR MIGHT COME IN AND USE UP ALL THE SPACE. HAVE  
8            ANY OF THE ILECS WITH WHOM MCI IS SEEKING TO COLLOCATE  
9            ESTABLISHED POLICIES WHICH RESPOND TO THIS CONCERN? IF  
10           SO, PLEASE DESCRIBE THE POLICIES.

11           A.    Both NYNEX and Pacific Bell have considered this issue and have  
12           established policies which MCI believes are a good faith attempt to  
13           bring fairness to this process. These RBOCs have assessed space  
14           availability and have adopted a general policy that any ALEC seeking to  
15           collocate can lease up to 400 square feet of space in a central office.  
16           The ALEC cannot warehouse the space. That means the ALEC must  
17           within a reasonable time place within the space equipment used to  
18           provide service. The space cannot be used simply for storage. An  
19           ALEC can request additional space, and such requests will be assessed  
20           on a case by case basis. GTE's bald assertion that harm will occur  
21           because a single ALEC might come in and use up all the space is thus  
22           totally without merit. As reflected in the NYNEX and Pacific Bell  
23           policies, steps can be taken to prevent this alleged "harm" from  
24           occurring.

25

1           On reading Mr. Ries' testimony it appears that GTE is trying to position  
2           itself as wearing a white hat by expressing concern about one ALEC  
3           taking advantage of another. If GTE wanted to create a fair  
4           competitive environment, then it would have focused its energies on  
5           creating a policy to create a level playing field, rather than simply  
6           saying the sky is falling.

7

8       Q.    AT PAGES 8 AND 17-19 OF HIS TESTIMONY MR. RIES STATES THAT  
9           ALECS SHOULD ONLY BE ABLE TO COLLOCATE AT CENTRAL  
10          OFFICES, SERVING WIRE CENTERS, TANDEM SWITCHES. HE GOES  
11          ON TO STATE THAT COLLOCATION SHOULD BE PERMITTED AT  
12          REMOTE UNITS ONLY IF A GIVEN UNIT OFFERS ROUTING OR RATING  
13          CAPABILITY. ARE THERE ANY PLACES WHERE COLLOCATION  
14          SHOULD NOT BE ALLOWED?

15       A.   Collocation is appropriate in whatever GTE structures have network  
16          facilities, subject only to real space limitations and to a requirement  
17          that each party bear its own costs to collocate. The determination as  
18          to whether space is available should be made on a case-by-case basis.  
19          The Commission should not establish a general rule restricting  
20          collocation based on a naked statement that certain structures usually  
21          have limited space available. In addition, the fact that certain functions  
22          may or may not be performed at a facility is not relevant. To be  
23          competitive, MCI must be able to design its network as efficiently as  
24          possible. Collocation should thus be restricted only where there is a  
25          real issue as to space availability, and the Commission should not allow

1 GTE to limit collocation simply because a particular network function  
2 may or may exist at the location.

3

4 Q. AT PAGES 9 AND 20-21 MR. RIES CONTENDS THAT ALECS SHOULD  
5 NOT BE GIVEN THE OPTION TO DEMAND VIRTUAL COLLOCATION  
6 UNLESS THERE IS FIRST A FINDING THAT PHYSICAL COLLOCATION  
7 IS NOT FEASIBLE. WHAT IS WRONG WITH THIS APPROACH?

8 A. Mr. Ries spends most of his testimony focused on the alleged pitfalls of  
9 physical collocation. He argues repeatedly for limitations on physical  
10 collocation -- where, what and how. For Mr. Ries then to argue that  
11 virtual collocation should only be allowed where physical collocation is  
12 not feasible is totally disingenuous. Like many of the other ILECs, GTE  
13 opposed physical collocation in the regulatory arena for years, asserting  
14 that virtual collocation was adequate. At times there may be situations  
15 where MCI wants to physically collocate with GTE. At other times MCI  
16 may want to make use of virtual collocation. There is absolutely no  
17 reason for GTE to suggest that an ALEC must exhaust one approach  
18 before the other is available, other than to slow market entry of the  
19 ALECs.

20

21 Q. AT PAGES 9 AND 21 MR. RIES TALKS ABOUT THE NEED FOR GTE  
22 TO HAVE THE RIGHT TO IMPLEMENT REASONABLE SAFETY AND  
23 SECURITY MEASURES WHEN COLLOCATION IS ESTABLISHED.  
24 WHAT IS MCI'S POSITION ON SAFETY AND SECURITY MEASURES?

25 A. MCI does not object in principle to allowing GTE to take "reasonable"

1 safety and security measures. However MCI believes GTE must bear  
2 the costs of such measures, since GTE in all likelihood will unilaterally  
3 determine what actions are allegedly necessary to insure safety and  
4 security. In addition, the Commission should insure that no steps are  
5 taken by GTE in the name of protecting its network which  
6 unreasonably use central office or other space that might otherwise be  
7 available for collocation.

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9 Q. AT PAGES 10-11 AND 22-23 OF HIS TESTIMONY MR. RIES  
10 CONTENDS THAT GTE SHOULD NOT BE REQUIRED TO ALLOW  
11 COLLOCATORS HOUSED ON GTE PROPERTY TO CROSS-CONNECT  
12 WITH EACH OTHER IN ORDER TO BYPASS THE GTE NETWORK. HE  
13 GOES ON TO STATE THAT PENDING JUDICIAL REVIEW OF THE FCC  
14 ORDER GTE WILL PERMIT SUCH CROSS-CONNECTION IF CERTAIN  
15 CONDITIONS ARE MET. ARE THE CONDITIONS SET FORTH BY MR.  
16 RIES REASONABLE?

17 A. No, they are not, except that MCI of course would pay for costs it  
18 incurs in connection with such cross-connects. It appears that what  
19 GTE is attempting to do with these conditions is to prohibit such  
20 cross-connections and to prevent new entrants from developing  
21 networks in the most efficient and effective manner possible. GTE  
22 states such cross-connections will be at its option, and will only be  
23 allowed when the connected equipment is used for interconnection  
24 with GTE or access to GTE's unbundled network space.  
25 Cross-connections between ALECs is in the best interests of

1 competition, and an ILEC such as GTE should not be given the option  
2 to prevent this activity from occurring, nor be permitted to prohibit an  
3 ALEC from using collocated facilities for purposes other than access to  
4 GTE as long as the ALEC is purchasing GTE services. Moreover the  
5 FCC order specifically authorizes such interconnection.

6

7 Q. AT PAGES 14-15 AND 17 OF HIS TESTIMONY MR. WOOD  
8 DESCRIBES GTE'S POSITION RELATIVE TO ALEC CONNECTION TO  
9 THE GTE NID. IS MCI REQUESTING DIRECT CONNECTION TO THE  
10 GTE NID?

11 A. Mr. Wood states that although the FCC does not require it, GTE will  
12 allow an ALEC to connect its loops directly to GTE's NID, provided that  
13 such interconnection does not adversely affect GTE's network. This  
14 offer sounds generous until one realizes that to gain the direct NID  
15 connection one must establish that such connection will not adversely  
16 affect GTE's network. Mr. Wood does not state how this  
17 determination is to be made or whether it is to be made on a NID by  
18 NID basis. As a result, MCI will not seek to connect its loops directly  
19 to the GTE NID. Instead, MCI will connect its NID to the GTE NID,  
20 thereby avoiding an endless discourse about possible adverse impacts  
21 to GTE's network that would only serve to delay market entry.

22

23 Q. AT PAGES 15 AND 18-24 OF HIS TESTIMONY MR. WOOD STATES  
24 THAT SUBLOOP UNBUNDLING (I.E., THE SEPARATION OF THE LOOP  
25 INTO DISTRIBUTION, FEEDER AND LOOP CONCENTRATOR/

1 MULTIPLEXER) SHOULD BE DETERMINED ON A CASE BY CASE. MR.  
2 WOOD PLACES SIGNIFICANCE ON THE FACT THAT THERE ARE NOT  
3 PHYSICAL CONNECTIONS AT ALL LOCATIONS WHERE SUBLOOP  
4 UNBUNDLING MIGHT OCCUR AND HE CAUTIONS ABOUT POSSIBLE  
5 HARMS THAT MIGHT ARISE IF MULTIPLE PARTIES WERE ALLOWED  
6 ACCESS TO GTE CROSS CONNECTION LOCATIONS. WHAT IS MCI  
7 SEEKING RELATIVE TO SUBLOOP UNBUNDLING?

8 A. MCI is asking for subloop unbundling where there is an existing  
9 cross-connect in the ILEC network. MCI is not at this time requesting  
10 subloop unbundling where there is not an existing cross-connect in the  
11 ILEC network. While MCI might at a later date submit a bona fide  
12 request (BFR) for such unbundling, MCI can enter the market now if it  
13 can obtain subloop unbundling where there is a an existing  
14 cross-connect. In addition, MCI is not demanding that it have access  
15 to the GTE cross-connect location. MCI will allow GTE to perform  
16 activities at the cross-connect location on its behalf. Given this  
17 approach, the concerns raised by Mr. Wood are not relevant to MCI.  
18 There is one other point worth noting. Mr. Wood suggests that  
19 subloop unbundling should be determined on a case-by-case basis.  
20 Any time case-by-case decisions are made there are delays. It is  
21 critical for the Commission to establish rules that provide a clear path  
22 forward and that eliminate ongoing opportunities for the ILECs to stall  
23 competitive entry.

24  
25 Q. AT PAGES 15-16 AND 24 TO 28 MR. WOOD DISCUSSES GTE'S

1 POSITION ON SWITCH UNBUNDLING. HE RAISES ISSUES RELATIVE  
2 TO COST, TECHNICAL FEASIBILITY, CAPACITY CONSTRAINTS AND  
3 LOST REVENUES. WHAT IS THE BOTTOM LINE OF HIS TESTIMONY?

4 A. Mr. Wood's testimony is most interesting. He goes on for several  
5 pages stating why switch unbundling should not be required.  
6 However, despite all the concerns raised, he makes the offer at page  
7 17 to unbundle the switch so long as GTE recovers its costs and does  
8 not lose access charge revenues. It seems that despite all the  
9 protestations as to what is and is not feasible, capacity constraints,  
10 etc., GTE's position comes down to one of money. GTE and other  
11 ILECs made extensive arguments at the FCC on the issue of unbundled  
12 switching and the FCC found that it was technically feasible to provide  
13 access to the local switching element in the ILEC central office. (FCC  
14 Order, paragraph 415) The FCC expressly ordered unbundling of the  
15 local switching element and tandem switching. (FCC Rules, Section  
16 51.319(c)) Thus while Mr. Wood recites the litany of technical  
17 feasibility arguments, I believe his real concern is money. The  
18 Commission should therefore order that switching must be unbundled,  
19 and should set a price for unbundled switching in accordance with the  
20 FCC's rules.

21  
22 Q. IN HIS DISCUSSION ON SWITCH UNBUNDLING AT PAGES 16 AND  
23 24-25, MR. WOOD DISCUSSES PROBLEMS ASSOCIATED WITH  
24 SELECTIVE CALL ROUTING. IN PARTICULAR HE RAISES THE  
25 CONCERN OF LINE CLASS CODE EXHAUST. HOW WOULD MCI

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**PROPOSE TO DEAL WITH THIS CONCERN?**

**A. MCI as a purchaser of switches for its own network often works with its switch suppliers to enhance switch features and functions. To the extent that line class code exhaust or other issues such as those raised in the letter attached to Mr. Wood's testimony as Exhibit No. AEW-4 exist, MCI believes the appropriate course of action is for GTE to proactively work with its switch vendors to find solutions to the alleged problems raised. These types of concerns, real or imagined, can be resolved through the vendor and supplier working together. In fact, GTE as a provider of access services to MCI has in the past shown a willingness to go to its switch vendors to obtain features and functions MCI stated it needed to provide services to its customers. Carrier Identification Parameter is one example. Thus what MCI suggests here is common practice. GTE is throwing up roadblocks rather than trying to come up with solutions.**

**Q. MR. DELLANGELO ADDRESSES UNBUNDLING OF ADVANCED INTELLIGENT NETWORK CAPABILITIES AT GREAT LENGTH AND INSISTS THAT GTE WILL PROVIDE AIN ACCESS ONLY ON A MEDIATED BASIS. DOES THIS MEET MCI'S REQUIREMENTS FOR AIN ACCESS?**

**A. Given the controversy that has been created regarding unmediated access to AIN functionality, MCI will not seek unmediated access at this time, although it may do so in the future through a BFR process.**

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MCI does need the ability to store its applications in GTE's Service Control Point (SCP). MCI also needs the ability to access GTE's SCP, both through MCI's own switch and through unbundled switching purchased from GTE. MCI understands that GTE is willing to provide access in this manner, thus eliminating issues regarding AIN access for the time being.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.