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April 9, 1999

BY HAND DELIVERY
Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket Nos. 980948-TL and 981250-TL

Dear Ms. Bayo:

Enclosed for filing on behalf of WorldCom Technologies, Inc. is an original of the direct testimony of Ron Martinez. Pursuant to agreement of the parties, BellSouth has filed a blanket notice of confidential classification regarding this testimony. Accordingly, the Commission should maintain this testimony as confidential until such time as BellSouth has completed its determination regarding any confidential information that may be contained in this testimony.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

Floyd R. Self

FRS/amb
Enclosure
cc: Mr. Brian Sulmonetti
Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: BellSouth Telecommunications, Inc.'s Petition for waiver of physical collocation requirement set forth in the 1996 Telecommunications Act and the FCC's First Report and Order, for the Miami Palmetto Central Office	)	Docket No. 980948-TL
In re: BellSouth Telecommunications, Inc.'s Petition for waiver of physical collocation requirement set forth in the 1996 Telecommunications Act Act and the FCC's First Report and Order, for the Lake Mary Central Office	)	Docket No. 981250-TL Dated: April 9, 1999

DIRECT TESTIMONY OF RON MARTINEZ

ON BEHALF OF WORLDCOM TECHNOLOGIES, INC.

Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A: My name and is Ron Martinez. My address is MCI Telecommunications Corporation, Concourse Corporate Center Six, Six Concourse Parkway, Suite 3200, Atlanta, GA 30328.

Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A: I am employed by MCI Telecommunications Corporation in the Law and Public Policy Group as an Executive Staff Member II. The responsibilities of my current position include working with the MCI business units to ensure timely introduction of products and services.

Q: PLEASE DESCRIBE YOUR EDUCATION AND EMPLOYMENT EXPERIENCE.

A: Prior to my current position, I managed the business relationships between MCI and approximately 500 independent local exchange companies in twenty-one states. I have experience in network engineering, administration and planning; facilities engineering, management and planning; network sales; and technical sales support. Prior to joining MCI, I was the Director of Labs for Contel Executone for several years. Before that, I worked for sixteen years in the Bell system in numerous engineering, sales, and sales support functions. I have a Master of Science degree in Operations Research and a Bachelor of Science Degree in Electrical Engineering from the University of New Haven.

Q: HAVE YOU EVER TESTIFIED BEFORE THIS COMMISSION

BEFORE?

A: Yes, I have previously appeared as a witness in several other proceedings before this Commission. My most recent appearance before the Commission was in Docket No. 981121-TP, regarding the UNE combinations.

Q: ON WHOSE BEHALF ARE YOU APPEARING IN THESE PROCEEDINGS?

A: I am appearing on behalf of WorldCom Technologies, Inc., which since the merger of WorldCom, Inc. and MCI Telecommunications, Inc. has become a subsidiary of the new MCI WorldCom, Inc. WorldCom Technologies includes the former operations of MFS Communications, which was one of the first ALECs to begin operations in Florida and which was the entity that was denied physical collocation by BellSouth.

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: My testimony addresses the six issues identified by the Commission for resolution in these dockets regarding BellSouth's requests for waivers from its obligations to provide physical collocation. My testimony discusses the importance of physical collocation, the different forms of physical collocation that may be utilized, and a discussion of the space that is available. In view of BellSouth's requirements to provide physical collocation and the data available, I conclude that the waivers should be denied because space is available.

Q: IN WHICH OF THE DOCKETS HAS WORLDCOM

TECHNOLOGIES INTERVENED?

A: WorldCom Technologies has intervened in Docket No. 980948-TL (the Miami Palmetto central office) and Docket No. 981250-TL (the Lake Mary central office).

Q: WHY HAS WORLDCOM TECHNOLOGIES ONLY INTERVENED IN THESE TWO DOCKETS?

A: We have intervened in these two dockets because these are the two dockets where our requests for physical collocation were denied by BellSouth.

Q: DID YOU PARTICIPATE IN THE WALK THROUGHS OF THESE TWO CENTRAL OFFICES.

A: No, I did not. However, I have spoken with some of the people who attended the walk throughs. In addition, I have reviewed the relevant provisions of the Telecommunications Act of 1996, the rules and orders of the Federal Communications Commission ("FCC") implementing the Act, the photographs taken during the walk throughs of the Lake Mary and Miami Palmetto central offices, BellSouth discovery responses filed in the two dockets, and finally, the Commission Staff Audit Report for each office that are dated March 24, 1999.

Q: WHY DID WORLDCOM TECHNOLOGIES REQUEST PHYSICAL COLLOCATION AT THESE TWO BELLSOUTH CENTRAL OFFICES?

A: Without discussing the proprietary reasons for wanting physical collocation

at these particular locations, physical collocation is critically important to local telecommunications competition and the customers we wish to serve. Physical collocation provides competitive carriers with the ability to control costs, ensure customer satisfaction, speed product innovation and introduction, and deliver advanced telecommunications services.

Q: HOW DOES PHYSICAL COLLOCATION PROVIDE THESE BENEFITS?

A: First, physical collocation enables the ALEC to control costs through its ability to Engineer, Furnish, and Install ("EF&I") the equipment it needs to provide the services its customers want. Through the use of its existing vendor contracts, the ALEC can control the quality of goods, software releases and updates, and services available. In addition, the ability to select from a number of physical collocation options permits the ALEC to lease only the physical capacity that it needs, which furthers its ability to control the costs of providing service. For example, cageless or shared physical collocation, versus a 100 square foot fire-wall segregated cage, can be a much lower cost alternative for provisioning service while at the same time conserving valuable, limited space in the ILEC central office.

Second, physical collocation ensures customer satisfaction. With physical collocation the equipment placed in the ILEC central office can be integrated into the ALEC's maintenance and trouble handling platforms. In

this way, the ALEC is not dependent upon the ILEC in order to ensure that trouble outages or other service quality standards and conditions are met. Further, because it is the ALEC's equipment, with the ALEC being responsible for its own maintenance and repair, the ALEC's employees are familiar with the equipment and software and know how to use it to provide superior service to its end user customers.

Third, physical collocation enables faster product introduction and innovation. Having full control over its own the equipment placed in the ILEC central office enables the ALEC to control the speed and delivery of products to customers. Equally compelling is the fact that physical collocation enables the ALEC to make the changes it needs to permit new services to be offered over existing equipment. With physical collocation, an ALEC can accomplish in weeks what might otherwise require months of close coordination with an ILEC to accomplish. This delay is understandable -- the ILEC's resources are not as dedicated to these projects as the ALECs are, and the ILEC's resources generally must be juggled to meet the needs of the entire industry verses the needs of one specific ALEC trying to deliver a new product to its customers.

Last, and perhaps most important, physical collocation increases the ALEC's availability to offer Florida customers advanced telecommunications services. The FCC, in its recent First Report and Order and Notice of Further

Rulemaking in CC Docket No. 98-147, FCC 99-48. (Released March 31, 1999) (hereinafter "Advanced Services Order") in paragraph 21 best summarized the linkage between physical collocation and the offering of advanced services:

> Consumer demand for advanced services is increasing exponentially, and competitive LECs and incumbent LECs alike are rushing to meet that demand. Competitive LECS rely on the incumbents to provision collocation space for the equipment needed to provide advanced services, and these new entrants cannot meet consumer demand for advanced services absent reasonable and nondiscriminatory collocation arrangements. For example, any xDSL-based services provided over unbundled local loops would require location of a DSLAM within a reasonable distance of the customer's premises, usually less than 18,000 feet. As such, competitive LECs generally must collocate their DSLAMs in the incumbent LEC's premises where the customer's unbundled loop terminates. Absent viable collocation arrangements, the customer will not have a choice of LECs from which to purchase advanced services.

In many ways, therefore, physical collocation is critical to the development of an advanced telecommunications infrastructure within the state of Florida.

Q: CAN'T VIRTUAL COLLOCATION PROVIDE MANY OF THESE SAME BENEFITS?

A: No. Virtual, not unlike cageless common and cageless shared collocation, provides a cost effective means for an ALEC to open a market to competition. However, once the market has been opened by the ALEC, increased demands for services will force the ALEC to either migrate to

physical collocation or augment virtual collocation with true physical collocation. With virtual collocation, BellSouth's Collocation Handbook and tariffs require that the ALEC lease equipment to BellSouth for the nominal fee of one dollar. This equipment eliminates the ALEC's control and access to the equipment – – BellSouth requires that it perform all maintenance and repair on the equipment. These requirements mean that the ALEC's ability to service the equipment is dependent upon not just the actions of a third party, but the ILEC that is its competitor. This greatly restricts the ALEC's ability to provide service in a timely and responsible manner to its customers.

Further, with virtual collocation, an ALEC is very limited as to the types of equipment and vendors of equipment that can be placed in the ILEC central office and what it can do with that equipment. For example, ILECs are proficient with the specific vendors and the software releases they require to provide end user services. Different vendors, or for that matter similar vendors but different software releases, pose training problems for the ILEC. That is to say that, while the ILEC's technicians undergo training on the equipment, lack of day-to-day involvement with the ALEC's equipment will inevitably result in problems with future upgrades or repairs that become necessary over time. With respect to limiting the services available, an example of this might be a customer's desire to have a Switched 56 data channel ride on a channelized DS1. The virtually collocated D4 Digital

Channel Terminal would require a SW56 OCU DP card being inserted in the channel bank. Since ILECs, such as BellSouth, do not have an associated data element (NC/NCI) code for this card, it would be impossible to convey this requirement to the ILEC in order to satisfy this customer request.

Q: WHAT TYPES OF SERVICES WILL MCI WORLDCOM PROVIDE TO ITS CUSTOMERS THROUGH PHYSICAL COLLOCATION ARRANGEMENTS?

A: In general terms, our business plans for physical collocation include providing a wide range of basic, new, and advanced services in the local markets. Without disclosing our proprietary business plans, I can tell you that through physical collocation arrangements we have here in Florida and in other states, we are providing or working to provide a host of local services and features as well as a variety of enhanced service offerings. Without physical collocation, our ability to offer many of these services, especially xDSL, will be stifled.

Q: WHAT ARE BELLSOUTH'S OBLIGATIONS TO MAKE SPACE AVAILABLE FOR PHYSICAL COLLOCATION? [ISSUE 1]

A: The Federal Telecommunications Act of 1996, at section 251(c)(6), requires ILECS "to provide on rates, terms, and conditions that are just, reasonable, and non-discriminatory, for physical collocation of equipment necessary for

interconnection or access to unbundled network elements at the premises of the local exchange carrier." This absolute duty to provide physical collocation remains until such time as "a local exchange carrier demonstrates to the State commission physical collocation is not practical for technical reasons or because of space limitations." Finally, the ILEC's obligation to provide physical collocation exists "at the premises of the local exchange carrier." Thus, in practical terms, the Act places on BellSouth the duty to make space available anywhere on its premises unless and until such time as BellSouth satisfactorily demonstrates to this Commission that space is unavailable on the premises.

Q: DO THE ACT OR THE FCC'S RULES PLACE ANY LIMITATIONS ON HOW THE TERM "PREMISES" SHOULD BE CONSTRUED?

A: No. In the FCC's First Report and Order in CC Docket No. 96-98, FCC 96-325 (Released August 8, 1996) ("FCC Rcd 15499) (hereinafter "Local Competition Order"), the FCC at paragraph 573 concluded that

> [i]n light of the 1996 Act's procompetitive purposes, we find that a broad definition of the term 'premises' is appropriate in order to permit new entrants to locate a broad range of points under the incumbent LEC's control. A broad definition will allow collocation at points other than those specified for collocation under the existing Expanded Interconnection requirements.

Thus, under the Act, in the Local Competition Order at paragraph 573 the

FCC specifically defined

> the term "premises" broadly to include LEC central offices, serving wire centers and tandem offices, as well as all buildings or similar structures owned or leased by the incumbent LEC that house LEC network facilities. We also treat as incumbent LEC premises any structures that house LEC network facilities on public-rights-of way, such as vaults containing loop concentrators or similar structures.

The expansive inclusiveness of the term "premises" has been further reinforced by the recent Advanced Services Order. In paragraph 39 to 45 of this Order, the FCC specifically authorized collocation in any available space inside or outside of the central office.

Q: HOW DOES THIS DEFINITION OF PREMISES IMPACT THE TYPES OF PHYSICAL COLLOCATION ARRANGEMENTS THAT MUST BE MADE AVAILABLE BY BELLSOUTH?

A: In practical terms, the Act and the rules implementing the Act require BellSouth to make available the types of physical collocation arrangements requested by the carriers, and not what BellSouth wants to provide. But this is not what happens. BellSouth has required that an ALEC apply to BellSouth to request space in one of its central offices. BellSouth responds to the application by indicating either that space is available or unavailable. However, the evaluation conducted by BellSouth has been limited to "traditional physical collocation arrangements." This means that an ALEC

requesting physical collocation must have space that is (1) physically separate from BellSouth's equipment, (2) within an enclosure, and (3) in a minimum area of 100 square feet.

Q: DO THE FCC'S RULES LIMIT PHYSICAL COLLOCATION TO THIS TYPE OF ARRANGEMENT?

A: No. As I have already discussed, the FCC takes a very expansive view of the premises at which an ILEC must provide physical collocation. Moreover, the FCC has specifically recognized that ALECs should have access to different kinds of physical collocation arrangements. As the FCC concluded in paragraph 39 of its recent Advanced Services Order

> We agree with those commenters that argue requiring such alternative collocation arrangements will foster deployment of advanced services by facilitating entry into the market by competing carriers. By requiring incumbent LECs to provide these alternative collocation arrangements, we seek to optimize the space available at incumbent LEC premises, thereby allowing more competitive LECs to collocate equipment and provide service. Moreover, we noted in the *Advanced Services Order and NPRM*, and the record reflects, that more cost-effective collocation solutions may encourage the deployment of advanced services to less densely populated areas by reducing the cost of collocation for competitive LECs.

Q: WHAT TYPES OF PHYSICAL COLLOCATION ARRANGEMENTS ARE PERMITTED UNDER THE ACT AND WHAT ARE THE BASIC CHARACTERISTICS OF EACH?

A: An ALEC may choose from several permissible physical collocation options.

First, there is caged physical collocation. The extreme form of caged physical collocation involves the physical separation of the ALEC from the BellSouth facilities by fire rated walls and, where possible, separate entrances. This type of physical collocation is present today in the Miami Palmetto central office that is at issue in this case, and this appears to be BellSouth's preferred view of physical collocation permitted under the Act. With this form of physical collocation, the ALEC's employees can enter and exit the ALEC's space without ever having access to the BellSouth equipment. Without question, this type of physical collocation can be extremely expensive, since vapor barriers must be built to protect the central office during the construction of the fire-rated walls, then the separate fire rated walls must be constructed. Exhibit _____ is a photograph from the Miami Palmetto office reflecting the temporary vapor barrier while the separate fire-rated walls are being constructed.

In less severe situations, the caged physical collocation can be accomplished by almost any type of barrier between the ALEC equipment and the ILEC equipment, including simple fencing. Depending upon the type of separation, there can be significant cost savings to the ALEC and less impact on the layout of the central office. In this situation, access to the space may or may not involve separate entrances; where separate entrances

are not provided, the ALEC may require security escorts to have access to its equipment. This Commission's April 29, 1998, decision in Order No. PSC-98-0604-FOF-TP, which set rates, terms, and conditions for physical collocation, specifically recognized both of these forms of caged physical collocation.

Second, there is cageless physical collocation. In the Advanced Services Order at paragraph 42, the FCC said that ILECs must "make cageless collocation arrangements available to requesting carriers." Moreover, "[s]ubject only to technical feasibility and the permissible security parameters outlined below, incumbent LECs must allow competitors to collocate in any unused space in the incumbent LEC's premises, without requiring the construction of a room, cage, or similar structure, and without requiring the creation of a separate entrance to the competitor's collocation space." In paragraph 43 the FCC said that the placement of ALEC equipment shall not be subject to minimum space requirements and may constitute "only one rack of equipment." For example, an ALEC can install its equipment in the same areas as the BellSouth equipment. This can be significantly cheaper than any form of physical caged collocation because it does not involve the construction of any barriers and utilizes the existing HVAC and cabling infrastructure. The ALEC's equipment can mount on an existing BellSouth rack or take up an area as small as a single rack, about a 2" x 3" footprint.

Third, there is shared physical collocation. In this arrangement, two or more ALECs will share a common space within the central office. The Advanced Services Order at paragraph 41 specifically authorizes the sharing of space by two or more ALECs "pursuant to terms and conditions agreed to by the competitive LECs." With the ALECs now being able to share their space on a sublease or some other basis, shared collocation might be attractive in offices where an ALEC has already been able to establish equipment or collocation arrangements and additional space is no longer available.

Fourth, there are the various alternatives outside the central office walls. In the so called "parking lot" solution, the ALEC places its equipment within a structure located in the parking lot or elsewhere on the property adjacent to where the central office is located. This solution is well suited to offices where there is no space at all remaining within the central office. Alternatively, the adjacent structure may even involve a third party that makes space available in its building. The FCC in the Advanced Services Order at Paragraph 44 specifically required LECs "to permit collocation in adjacent controlled equipment vaults or similar structures to the extent technically feasible" when space is legitimately exhausted in a particular premises.

Finally, there is virtual with visitation collocation. As I said before,

one of the disadvantages to virtual collocation is the fact that the ALEC leases the equipment, in BellSouth's case typically for $1.00, to the ILEC that they want placed in the office. While the ALEC conveys possession of the equipment to the ILEC, the ALEC should be permitted, which is not the case in BellSouth's offering, to engineer, furnish, and install the equipment in the central office adjacent to the ILECs' equipment. However, access to the equipment to perform maintenance and other service functions would be limited to the ILEC's technicians. Virtual with ALEC EF&I has been tariffed by one ILEC outside of Florida, and while it may be a good option, it is clearly inferior to any form of physical collocation.

Q: IS THERE ANY REAL WORLD EXPERIENCE WITH EACH OF THESE DIFFERENT FORMS OF PHYSICAL COLLOCATION?

A: Absolutely. Each of these different forms has been employed by competitive local carriers in other states, and many of these forms have been used by interexchange carriers either in LEC central offices or in sharing IXC office space. Indeed, in the Advanced Services Order at paragraph 45 the FCC said: "we now conclude that the deployment by any incumbent LEC of a collocation arrangement gives rise to a rebuttable presumption in favor of a competitive LEC seeking collocation in any incumbent LEC premises that such an arrangement is technically feasible."

Q: WHAT FACTORS SHOULD BE CONSIDERED BY THIS

COMMISSION IN DETERMINING WHETHER BELLSOUTH'S PETITIONS FOR WAIVER OF THE REQUIREMENT TO PROVIDE PHYSICAL COLLOCATION SHOULD BE GRANTED?

A: There are several factors that must be evaluated by the Commission before it can determine whether there is no remaining space for physical collocation.

1. Placement of existing unused equipment. In the Advanced Services Order the FCC concluded in Paragraph 60 that ILECs "must remove obsolete unused equipment from their premises upon reasonable request by a competitor or upon order of a state commission."

2. Future growth. The FCC's rules for physical collocation in section 51.323(f)(4) state that an ILEC may retain "a limited amount of floor space for its own specific uses" but that such reservation may not be on terms "more favorable than those that apply to other telecommunications carriers." BellSouth requires that if a collocator request is granted that the construction process proceed to buildout, and that once completed, the ALEC occupy the space within 180 days unless extended due to "best efforts" to complete the installation. Since from the first request to BellSouth to completed construction and installation can take as long as a year or more, BellSouth should not be allowed to reserve space in excess of one year. Indeed, since the local carriers are forecasting that they will capture significant market share, including the growth in Florida, so there is no guarantee that BellSouth

will need the space it is forecasting once the market really is opened to ALECs.

3. Security arrangements. The FCC recognized in the Advanced Services Order at paragraph 47 "that incumbent LECs may impose security arrangements that are as stringent as the security arrangements that incumbent LECs maintain at their own premises either for their own employees or for authorized contractors." However, such measures must permit an ALEC to have access to its equipment "24 hours a day, seven days a week, without requiring either a security escort of any kind or delaying a competitors employees' entry into the incumbent LEC's premises by requiring, for example, an incumbent LEC employee be present."

4. Administrative space allocations. The Commission should carefully examine the placement of BellSouth administrative equipment and employees within the central office and the amount of space allocated to such functions. Certainly, administrative functions unrelated to the central office should be removed. As for central office related administrative support space, the Commission should determine whether such space is utilized efficiently.

5. Building codes and other local government requirements. BellSouth must comply with local building codes, zoning, and other such requirements. Where such regulations unreasonably appear to preclude or

limit physical collocation, or substantially and materially increase the cost of such collocation, the Commission should examine whether reasonable efforts have been undertaken to address such problems.

6. Space accessibility. As I have already discussed, the Advanced Services Order requires in paragraph 42 that collocators be allowed "to collocate in any unused space," including an area as small as a rack. Quite simply, if BellSouth could use the space to put any of its equipment, the same should be permitted by us.

7. Outside space. In view of the requirements of the Advanced Services Order, the Commission must evaluate all of the property associated with the BellSouth central office as opposed to just the area within the four walls of the building itself that is utilized for the switch and related facilities.

Q: BASED UPON YOUR ANALYSIS OF THESE FACTORS FOR THE LAKE MARY AND MIAMI PALMETTO CENTRAL OFFICES, HOW MUCH SPACE SHOULD BE CONSIDERED AVAILABLE IN EACH OFFICE? [ISSUE 3]

A: In view of the recent Advanced Services Order, BellSouth should be required to reevaluate each of its offices and report back to the Commission and parties as to the space available for the various alternative forms of physical collocation. Notwithstanding this need, it appears from the currently

available information that the Lake Mary central office may have several hundred square feet available for physical collocation, depending upon how an ALEC may decide to use the space. The Miami Palmetto central office may have 1,000 square feet or more of space available for physical collocation within the central office and in excess of several thousand square feet outside the office.

Q: WHAT IS YOUR BASIS FOR THESE CONCLUSIONS?

A: I have reviewed the Commission Staff Audit reports for both the Lake Mary and Miami Palmetto offices, as well as reviewed the photos and maps, and talked with some who toured the offices. While the Lake Mary office may at first blush seem small and crowded, the Staff Audit identifies several potential areas in which an ALEC may be able to place equipment based upon an ALEC's needs. The same is true for the Miami Palmetto office except that overall, it is a larger office, with more unoccupied areas, and with additional property outside.

In view of the Advanced Services Order, there may now be more space available than even the Staff Audits indicate. For example, the Staff Audit predicates its space assessments on BellSouth's imposed limitation for 100 square foot areas segregated by fire rated walls. In addition, the Staff Audit identifies other areas that would not support full bays, and so the Audit excludes those areas as well as some other areas that would require security

escorts. Since the Audit, the FCC in its Advanced Services Order makes clear that some of these areas may now be required to be made available for one or more of the alternative forms of physical collocation. Moreover, under the Advanced Services Order, the FCC made it clear that escorts were not required and that badges and video equipment could be used. To the extent ALEC equipment is commingled, I believe reasonable security measures, which may include escorts, should be undertaken to make these additional areas available to ALEC physical collocation as the FCC has permitted. Thus, I would conclude that all of the potential space identified by the Staff Audit be made available to be offered to the ALECs on a first come, first served basis, and let us decide how we might use the space. I would especially include all of the conditional space identified by the Staff Audit as well as the space dismissed by the Staff Audit as too small. Finally, I would make available for physical collocation any space that is outside a one year planning horizon as measured from the time the first ALEC at each office was denied space.

Q: DO YOU HAVE SPECIFIC COMMENTS REGARDING LAKE MARY?

A: Yes. I believe further investigation of the potential for obsolete unused equipment should be undertaken. Lake Mary's proximity to Heathrow and some of the trials formerly offered there should be evaluated. In addition, the

office appears to include future growth in excess of two years that should be made available to ALECs. (See, for example, Exhibit _____ photographs 99-2A-05, 99-2B-04, and 99-2B-20) Finally, BellSouth may have denied physical collocation requests on the basis of insufficient space to physically separate the BellSouth and ALEC equipment and, possibly, insufficient space to physically separate one ALEC from another. However, the Advanced Services Order removes such a barrier, and it is my understanding that the Seminole County building code does not require fire-rated walls separating either BellSouth from an ALEC nor one ALEC from another.

Q: DO YOU HAVE ANY SPECIFIC COMMENTS ABOUT THE MIAMI PALMETTO CENTRAL OFFICE?

A: Yes. In addition to my general comments about the space identified in the Staff Audit, the circuit card bays, identified in Exhibit _____ (See photographs 99-2Y-01 and 99-2Y-09) strike me as a senseless waste of space. This data could be computerized, eliminating these large tubs of index cards. Indeed there were areas devoted to storage and administrative functions that appear highly suspect (see photographs 99-2X-08, 99-2Y-02, 99-2Y-10, 99-2Y-14, 99-2Z-11, and 99-2Z-12).

At the time of the walk throughs, BellSouth advised the parties of potential air conditioning problems. The Staff Audit reveals that BellSouth subsequently corrected the problem without adding additional equipment.

Our recommendation would be to carefully evaluate any future claims for space to correct such problems to be certain that the real problem is being addressed. Moreover, even if the Palmetto office needs new air conditioning equipment, the company should be required to consider solutions that might replace the entire system with a more powerful yet energy efficient system, and not merely the addition of a second system that would waste more valuable floor space.

The Palmetto office also had space identified as future growth beyond one year, and such space should be made available to ALECs. (See photographs 99-2Y-19, 99-2Y-20, and 99-2Z-05). This office also had additional space outside the office that should be further examined in view of the Advanced Services Order requirements for adjacent collocation. (See photographs 99-2Z-23 and 99-2Z-24).

Finally, there is the physical separation BellSouth requires between BellSouth and any ALECs and between the ALECs. The South Florida Building Code may require such fire-rated walls, but such a requirement seems inappropriate in light of the virtual collocation arrangements and the fact that our equipment provides much the same functionality as BellSouth's own equipment. BellSouth should be directed to pursue every means available to obtain the necessary waivers or other governmental action that would eliminate such an unnecessary requirement. I'm sure all the ALECs

would participate and support BellSouth in this effort.

Q: IS THIS SPACE SUFFICIENT FOR PHYSICAL COLLOCATION? [ISSUE 4]

A: Yes, both the Lake Mary and Miami Palmetto central offices appear capable of supporting additional physical collocation based upon the needs of each carrier and each carrier's place in the first come, first served line.

Q: SHOULD BELLSOUTH'S PETITIONS FOR WAIVER OF THE REQUIREMENT TO PROVIDE PHYSICAL COLLOCATION AND IN THE LAKE MARY AND MIAMI PALMETTO CENTRAL OFFICES BE GRANTED? [ISSUE 5]

A: No. Since both offices have space available that could be used to provide physical collocation through one or more of the different options that I have already discussed, the waivers should be denied.

Q: IF THE COMMISSION DETERMINES THAT A WAIVER REQUEST SHOULD BE DENIED, HOW SHOULD BELLSOUTH EFFECTUATE FCC RULE 47 C.F.R. SECTION 51.323(F)(1) IN PROCESSING REQUESTS FOR PHYSICAL COLLOCATION IN THOSE OFFICES? [ISSUE 6]

A: BellSouth should contact the very first ALEC that was denied physical

collocation, irrespective of whether that ALEC was provided virtual collocation, and advise the carrier of each specific block of space that is available in or near the central office and whether there are any limitations on the type of physical collocation that is technically feasible for such space. With this information, the carrier will be able to evaluate each area of space and how it might be configured to meet the ALEC's physical collocation requirements. For example, an existing bay with an open rack would not be able to support an entire bay of equipment, but it might support one rack of equipment.

Q: DO YOU HAVE ANY CONCLUDING REMARKS ABOUT PHYSICAL COLLOCATION?

A: Collocation should not be a requirement for competitive entry but rather a step in the progression that permits the migration from UNEs to the ALEC's own facilities. Ideally, collocation, in addition to being provided in a non-discriminatory fashion, should foster competition, promote lower pricing to consumers, encourage the introduction of new services, and provide the vehicle that provides consumers with real choice. As such, the offerings available to new entrants must permit them to grow from an entry level competitor to a meaningful percentage of the wire center's market. To accomplish this, there must be options available and the means to migrate from the options as the ALEC's customer base expands.

There is a need for physical collocation options, which include caged, cageless, shared, and adjacent, as well as virtual collocation, which should include virtual - ILEC turnkey, virtual - ALEC EF&I, and all of these options should be readily available to the ALEC community. In addition, these options should neither impose abnormal delays nor unnecessary costs on the ALEC which would create barriers to an ALEC's entry into a given market.

Q: DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A: Yes, it does.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Direct Testimony of Ron Martinez on behalf of WorldCom Technologies, Inc. in Docket Nos. 980948-TL and 981250-TL has been furnished by Hand Delivery (*) and/or U.S. Mail to the following parties of record this 9th day of April, 1999:

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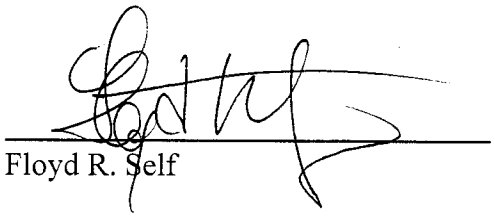

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