

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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RECORDS AND REPORTING

In re: Petition of Competitive)
Carriers for Commission action)
to support local competition in)
BellSouth Telecommunications,)
Inc.'s service territory.)
_____)

DOCKET NO: 981834-TP

In re: Petition of ACI Corp. d/b/a)
Accelerated Connections, Inc.)
for generic investigation to)
ensure that BellSouth)
Telecommunications, Inc.,)
Sprint-Florida, Incorporated, and)
GTE Florida Incorporated comply)
with obligation to provide)
alternative local exchange)
carriers with flexible, timely)
and cost-effective physical)
collocation.)
_____)

DOCKET NO. 990321-TP

FILED: November 19, 1999

**SUPRA TELECOMMUNICATIONS AND
INFORMATION SYSTEMS, INC.
REBUTTAL TESTIMONY OF DAVID NILSON**

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FPSC-RECORDS/REPORTING

1 SUPRA TELECOMMUNICATIONS AND INFORMATION SYSTEMS, INC.

2 REBUTTAL TESTIMONY OF DAVID A. NILSON

3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

4 DOCKET NOS. 981834-TP AND 990321-TP

5 NOVEMBER 19, 1999

6

7 Q. PLEASE STATE YOUR NAME AND ADDRESS

8

9 A. My name is David A. Nilson. My address is 2620 SW 27th Avenue, Miami,
10 Florida 33133.

11

12 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

13

14 A. I am the Chief Technology Officer of Supra Telecommunications and
15 Information Systems, Inc. ("Supra").

16

17 Q. ARE YOU THE SAME DAVID NILSON WHO PROVIDED DIRECT
18 TESTIMONY IN THIS PROCEEDING?

19

20 A. Yes.

21

22 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

23

24 A. I will rebut the direct testimony of BellSouth witnesses Keith Milner and Jerry D.
25 Hendrix.

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Q. ON PAGE 5, LINES 2-3 OF BELLSOUTH WITNESS KEITH MILNER'S TESTIMONY, MR. MILNER STATES THAT BELLSOUTH OFFERS COLLOCATION AT RATES SET BY THE COMMISSION. HAS BELLSOUTH APPLIED THESE RATES TO SUPRA'S REQUESTS FOR COLLOCATION?

A. Not entirely. One area of contention has been the non-recurring costs for power to be supplied by BellSouth to Supra's collocated equipment. Supra was very surprised at how high the cost estimates are for the four central offices that were part of the Waiver Dockets. Supra asked for a cost breakdown of the collocation. costs estimated by BellSouth. In three of the offices, where there are a total of 5, 6, and 7 other collocators that have submitted applications to collocate, Supra has been "prorated" 100 percent of all power upgrade costs of \$344,000. By causing an ALEC to bear 100 percent of the costs of power plant upgrades to support the collocation of 4, 5, and 6 other collocators, BellSouth is in violation of FCC Order 98-147, page 51. Additionally, from the cost breakdown, it is evident that BellSouth did not adhere to the Commission's Order that requires BellSouth to recover power infrastructure equipment costs in a recurring charge. (See Order No. 98-0604-FOF-TP, pages 149-151.) The excessive costs incorrectly imposed by BellSouth can only deter competitive entry by any ALEC. This deterrent comes in the form of increased costs affecting the ALEC's business plan and leads to unnecessary litigation costs and delays.

1 Q. ON PAGE 7, LINES 3-5, MR. MILNER STATES THAT BELLSOUTH
2 ASSIGNS COLLOCATION SPACE TO AN ALEC TO AVOID POTENTIALLY
3 INEFFICIENT USE OF SPACE. DOES THE METHOD USED BY BELLSOUTH
4 TO ASSIGN SPACE CONCERN YOU?

5
6 A. Yes it does. The FCC made it clear that it wants incumbent LECs (ILECs) to
7 make cost-effective collocation available to ALECs. Further, the FCC stated in
8 Order No. 99-48, that incumbent LECs “must allow competitors to collocate in *any*
9 unused space in the incumbent LEC’s premises....” (¶42, emphasis added) This is
10 not a directive by the FCC that an ILEC is allowed to assign or designate whatever
11 space it wants without discussing it with the requesting ALEC. Sprint Florida
12 (Sprint) takes an opposite position on this matter. Once a determination is made that
13 space is available in the office, Sprint schedules a meeting between the ALEC and its
14 engineers, preferably at the central office, to review the ALEC’s application, “So we
15 make sure we understand the application and get the quote right.” In contrast,
16 BellSouth holds no such planning meetings before providing a quotation, and allows
17 no site visit until after the ALEC has issued a firm order and paid one half of the
18 estimated collocation charges up-front. This late date is the first opportunity for the
19 ALEC to determine if any errors have been made in designing the ALECs
20 collocation.

21
22 It also appears that BellSouth has changed its position on the matter. In Docket Nos.
23 960757-TP, 960833-TP, and 960846-TP, BellSouth witness Redmond testified
24 before this Commission that collocators can negotiate the location of the collocation
25 space with BellSouth. BellSouth maintained this same position as recently as the

1 FCC's collocation Order 99-48. In ¶40 of the Order, BellSouth's comments to the
2 FCC in this docket stated that the FCC should "allow the parties to discuss and
3 resolve any issues they may have on a case-by-case basis." However, it has been
4 Supra's experience that there simply is no negotiating on the part of BellSouth.

5

6 Q. ON PAGES 18 AND 19, BST WITNESS MILNER STATES THAT
7 ADJACENT CEVs AND SIMILAR STRUCTURES DO NOT FIT THE FCC'S
8 DEFINITION OF THE TERM ILEC PREMISES. DO YOU AGREE?

9

10 A. Although one could interpret the FCC's definition of premises to be inconsistent
11 with its requirement for adjacent CEVs, that interpretation itself is inconsistent
12 with the spirit of the Telecommunications Act and the intent of the FCC's Order,
13 which is to promote competition. The FCC's requirement is clearly stated in ¶44
14 of Order 99-48, that ILECs must permit requesting carriers the ability to
15 construct or otherwise procure an adjacent structure. The wording of the FCC
16 order does not presuppose ownership of the CEV, as Mr. Milner tries to classify
17 a CEV as violating the definition of premises. Nor does it assume the CEV will
18 NOT house BellSouth network equipment. If BellSouth chose to, they could
19 construct and lease CEVs to ALECs in such a way that it met the definition of
20 premises. By choosing the opposite path, BellSouth appears unwilling to comply
21 with the FCC Order, in a proceeding they were a party to. The FCC further
22 stated that zoning or other local regulations might impose limitations; however,
23 the FCC stated that it relies on the state commission to address such issues.
24 BellSouth has not raised the issue of zoning or local regulations as a problem for
25 adjacent CEVs. BellSouth is using the FCC's definition of premises as a means

1 of avoiding the obvious mandate of the FCC. This Commission should uphold
2 the FCC's Order requiring the collocation of ALECs in adjacent CEVs or other
3 similar structures.

4

5 Q. ON PAGE 4, LINES 24-25, OF BELLSOUTH WITNESS HENDRIX'S
6 TESTIMONY, MR. HENDRIX STATES THAT POWER CAPACITY
7 MANAGEMENT AND BELLSOUTH'S CERTIFIED POWER VENDOR
8 ANALYZED THE IMPACT OF THE APPLICATION ON EXISTING POWER
9 CAPACITY WITHIN THE CENTRAL OFFICE TO DETERMINE WHETHER
10 ADDITIONAL POWER CAPACITY WILL BE REQUIRED. SHOULD
11 BELLSOUTH BE REQUIRED TO OBTAIN MORE THAN ONE ESTIMATE
12 FROM A CERTIFIED POWER VENDOR? WHY?

13

14 A. Yes. Let us make sure we understand the statement. In the South Florida area,
15 BellSouth Power Capacity Management would ask its "turf" vendor to calculate
16 what new power equipment needs to be purchased from and installed by such
17 vendor. Where is the mechanism to control costs in this arrangement? In Order No.
18 PSC-98-0604-FOF-TP, Docket Nos. 960757-TP, 960833-TP, and 960846-TP, issued
19 April 29, 1998, the Commission states that in situations where the ALEC disagrees
20 with BellSouth's ICB space preparation charges, the ALEC may request that
21 BellSouth obtain three additional independent estimates. BellSouth's own internal
22 procurement procedures require three quotations on all projects over \$2500. Instead,
23 BellSouth assigns "turf" vendors. One vendor is given a specific geographic area,
24 and that vendor does all power or construction or installation within that geographic
25 area. Competitive bidding on these projects is non-existent. This bidding would

1 encourage ILEC contractors to provide a more competitive offer. If only one
2 estimate is required from a single contractor, and that contractor knows it has all the
3 business in a given region, there is no incentive to provide a lower, more competitive
4 price.

5
6 Q. ON PAGE 7, LINES 2-3 OF MR. HENDRIX'S TESTIMONY, HE STATES
7 THAT THE RESPONSE WILL ALSO INCLUDE THE CONFIGURATION OF
8 THE SPACE? WHAT DO YOU MEAN BY CONFIGURATION?

9
10 A. I wish I could answer that question. After having applied for and received 19
11 such responses within the last 14 months, space configuration has never been
12 supplied. I have been told that I cannot get space configuration information until
13 after I file a firm order and pay one half of the space preparation charges up front.
14 The reason stated for this is that at the time of the response BellSouth knows it has
15 space in the office, but it does not engineer the job deciding specifics until after a
16 firm order and the one-half prepayment. The ALEC is not allowed to walk through
17 the office to review its space prior to firm order--"Because it may change and move
18 somewhere else once we engineer the job."

19
20 Q. ON PAGE 6, LINES 23-25 OF MR. HENDRIX'S TESTIMONY, HE STATES
21 THAT THE APPLICATION RESPONSE WILL INCLUDE ESTIMATES OF THE
22 SPACE PREPARATION FEES, THE CABLE INSTALLATION FEE (IF
23 APPLICABLE), AND THE ESTIMATED DATE THE SPACE WILL BE

1 AVAILABLE. DOES THE COST ESTIMATE BELLSOUTH PROVIDES THE
2 ALEC ITEMIZE THE CHARGES WITHIN EACH OF THE CATEGORIES?

3

4 A. No. Nor does the response give any information regarding the estimated date the
5 space will be available. BellSouth insists it has the right to negotiate those dates
6 with the ALEC "on an office-by-office basis." The cost estimates provide only a
7 total projected cost for the three sub-categories (space construction--frame, cable,
8 cable support, etc.--and power). There is insufficient cost information available for
9 the ALEC to determine if the cost estimates are reasonable. The ALEC cannot
10 determine what price elements BellSouth used to project the overall estimated cost,
11 nor can an ALEC detect if any potential misunderstandings exist between the ILEC
12 and ALEC over design. A more detailed cost analysis should be provided to the
13 ALEC within thirty calendar days of the initial application.

14

15 In the exhibit DAN-1, attached to my direct testimony, BellSouth produced a cost
16 breakdown for collocation in four of the Florida exemption docket offices. Supra
17 requested this breakdown on the second day following our receipt of the application
18 responses. After three weeks of waiting, a letter of grievance was sent to the FCC.
19 After a total wait of eight weeks, Supra received a partial cost breakdown [Exhibit
20 DAN-1]. The cable and racking breakdowns were never presented, and the power
21 breakdowns for three of the offices are so limited they are useless. In the process of
22 making the breakdown, BellSouth detected a \$63,000 overcharge. Supra further
23 detected that there was a \$51,000 double charge in that same office. Additionally,
24 there were 115 VAC outlets proscribed which Supra had never ordered, but which
25 would require permitting (and attendant delays as documented by BellSouth). There

1 were also prorated charges for the installation of a card reader systems in apparent
2 violation of this Commission's orders in PSC-98-0604-FOF-TP, which ordered
3 reasonable charges for security access devices in central offices with card readers.
4 However, this Commission declined to order ALECs to pay the installation of such
5 systems where they did not already exist.

6
7 This problem was presented in all three of the South Florida central offices, but in
8 the one Central Florida office, it was decided a \$250 dollar key would suffice instead
9 of a prorated share of a \$25,000 card reader system.

10
11 Additionally, the quotes show that BellSouth's concern over a single carrier having
12 to do the power work is misguided. Of the total charges for power infrastructure,
13 more than 98 percent went directly to Lucent or the State of Florida in taxes.
14 BellSouth retained less than 2 percent for engineering, supervision and labor. But
15 worse than that, in PSC-98-0604-FOF-TP, pages 149-151, this Commission ordered
16 BellSouth to sell -48 volt DC power for a recurring rate only, and to train its
17 personnel so that there should be no confusion that non-recurring charges for power
18 infrastructure not be made part of ALEC space preparation charges any longer.
19 All of these issues were hidden in Mr. Hendrix's response, which listed three, large
20 dollar figures. Without a detailed price quote, Supra could not have found these
21 errors and would have been compelled to overpay, or make a decision to back out of
22 the collocation due to excessive costs.

23

1 Q. ON PAGE 5, LINES 15-18, OF WITNESS HENDRIX'S TESTIMONY, MR.
2 HENDRIX STATES THAT BELLSOUTH WILL INFORM AN ALEC
3 WITHIN FIFTEEN (15) CALENDAR DAYS OF RECEIPT OF AN
4 APPLICATION WHETHER ITS APPLICATION FOR COLLOCATION IS
5 ACCEPTED OR DENIED AS A RESULT OF SPACE AVAILABILITY. IS
6 THIS REASONABLE?

7
8 A. No. As stated in paragraph 55 of the FCC's First Report and Order in Docket 98-
9 147, "We view ten days as a reasonable time period within which to inform a new
10 entrant whether its collocation application is accepted or denied." Sprint also
11 concurs with the FCC's findings that ten days is a reasonable time period. As stated
12 by Sprint's witness Cloz in her direct testimony, "This timely response is critical to
13 enabling new entrants to quickly reassess collocation deployment plans such that
14 impacts to the new entrants' marketing plans are minimized." (Page 5, lines 6-8)
15 Because ten days is a reasonable amount of time for the ILEC to determine space
16 availability, I believe the Commission should adopt the ten-day time period as
17 suggested by the FCC and Sprint.

18
19 Q. SHOULD THE SAME TEN-DAY TIME PERIOD APPLY TO
20 APPLICATIONS THAT BELLSOUTH DOES NOT CONSIDER BONA FIDE?

21
22 A. No. BellSouth should notify the ALEC much sooner than ten days if it does not
23 consider the application bona fide and provide the items necessary to make the
24 application bona fide. It seems that 48 hours would be an appropriate interval to
25 determine whether an application is bona fide or not.

1

2 Q. ON PAGE 7, LINES 15-17, YOU STATE THAT TO YOUR KNOWLEDGE
3 BELLSOUTH HAS NEVER OMITTED INFORMATION THAT WAS
4 NECESSARY FOR A COLLOCATION APPLICANT TO MOVE FORWARD
5 WITH A FIRM ORDER. MR. HENDRIX CONTINUES ON LINES 17-18
6 STATING THAT IF AN OMISSION OCCURS, THE ALEC CAN SIMPLY
7 CONTACT ITS ATCC FOR RESOLUTION. DO YOU AGREE WITH MR.
8 HENDRIX'S TESTIMONY?

9

10 A. No. Under the current system there is no way to detect a missing item until after
11 space acceptance and the ALEC is allowed to move into the space. Errors of
12 providing something extra that is not needed are paid for months in advance of their
13 possible detection. Detecting problems at that point can only incur delay and
14 increased costs for both sides. BellSouth states that it provides the necessary
15 information for a collocation applicant to move forward with a firm order. What
16 they do not mention is due to the lack of joint ALEC-ILEC implementation team
17 meetings prior to a firm order, the ALEC will typically be forced to redesign portions
18 of the collocation after a firm order when the space configuration is provided. If the
19 ALEC is located too far from the battery plant, the expected power design must be
20 changed, or costs skyrocket. And once those changes are made, BellSouth requires
21 that the application/response phase start all over again! All this could be avoided
22 with site visits prior to quotation and ALEC-ILEC implementation meetings held
23 prior to quotation, as is done by Sprint-Florida.

24

1 Q. ON PAGE 10, LINES 11-14, OF MR. HENDRIX'S DIRECT TESTIMONY, HE
2 STATES THAT THE RESPONSE INTERVAL FOR A REQUEST FOR CHANGE
3 TO AN EXISTING SPACE SHOULD NOT EXCEED 30 DAYS. DO YOU
4 BELIEVE 30 DAYS IS REASONABLE?

5

6 A. No. In my direct testimony, I stated that ten days or less should be a sufficient
7 response time interval. Because the change requested requires no physical work on
8 the part of the ILEC other than record updates, 30 days is unreasonable. Even Sprint
9 in its testimony, stated that an ILEC should respond to the ALEC within 15 calendar
10 days with a notification that the ILEC's records have been updated to reflect the
11 change. (Closz, page 14) Clearly, the change was completed well before thirty days.

12

13 Q. CONTINUING ON PAGE 10, LINES 15-23, MR. HENDRIX STATES THAT
14 THE IMPLEMENTATION INTERVAL FOR A REQUEST FOR CHANGES TO
15 AN ALEC'S EXISTING COLLOCATION SPACE SHOULD NOT EXCEED 60
16 CALENDAR DAYS, UNDER NORMAL CONDITIONS. NORMAL
17 CONDITIONS SHOULD BE DESCRIBED AS CONDITIONS IN WHICH NONE
18 OF THE FOLLOWING EXIST: MATERIAL EQUIPMENT ORDERING
19 REQUIRED, HVAC OR POWER UPGRADES OR ADDITIONS, ADDITION TO
20 FLOOR SPACE, RACKS, OR BAYS. UNDER CONDITIONS OTHER THAN
21 NORMAL, THE INTERVAL FOR A REQUEST FOR CHANGES TO AN ALEC'S
22 OWN EXISTING COLLOCATION SPACE SHOULD BE THE SAME
23 INTERVAL AS A NEW REQUEST, 90 CALENDAR DAYS. DO YOU AGREE
24 WITH THESE TIME PERIODS?

25

1 A. No. Supra Telecom agrees with Sprint's testimony that the provisioning intervals
2 when changes are required should reflect the actual work involved, but should not
3 exceed 30 calendar days for receipt of the ALEC's request for a change. (Closz,
4 page 14) In addition, Supra objects to the list of exclusions. BellSouth has
5 eliminated virtually all changes, save wiring, to the point of demarcation from the
6 shorter time category, and then set THAT at 60 days. If BellSouth's "turf" vendor
7 policy does not allow them to respond any faster than that, the Commission should
8 order BellSouth to allow ALECs to subcontract and project manage construction of
9 the collocation arrangements based on BellSouth engineered plans and
10 specifications. If BellSouth cannot engineer the job in a reasonable time frame, this
11 Commission should investigate whether downsizing and de-commissioning of
12 engineering groups at BellSouth has left the carrier too shorthanded to support
13 competitive entrants according to the FCC and this Commission's orders.

14
15 Q. ON PAGE 13, LINES 23-24 WITNESS HENDRIX STATED IN HIS DIRECT
16 TESTIMONY THAT BELLSOUTH HAS FOUND THAT ITS PROVISIONING
17 INTERVAL IS NOT CONTROLLED BY THE TIME REQUIRED TO
18 CONSTRUCT AN ARRANGEMENT ENCLOSURE. MR. HENDRIX
19 CONTINUES ON PAGE 5, LINES 9-11 STATING THAT WHEN THE
20 CONSTRUCTION OF AN ARRANGEMENT ENCLOSURE IS NOT REQUIRED
21 OR IS NOT PERFORMED BY BELLSOUTH, ALL OTHER COLLOCATION
22 AREA AND NETWORK INFRASTRUCTURE WORK MUST STILL TAKE
23 PLACE. DO YOU AGREE WITH HIS TESTIMONY?

24

1 A. No. Supra Telecom concurs with Sprint that less time is needed to construct
2 cageless arrangements than to construct caged. BellSouth's own timeline for
3 collocation, presented to this Commission on a number of earlier dockets, shows all
4 space enclosure and permit work being completed before the start of racking and
5 cabling and power construction. Certainly, if the entire step is not performed, Mr.
6 Hendrix cannot possibly be correct. Once again, it comes down to a detailed
7 breakdown of the collocation subtasks. An undetected extra step, like the addition of
8 115 VAC duplex outlets to space construction sub-category could cause even more
9 delay than the construction of an entire forearmed room! The interval should be
10 reflective of the actual work required. (Closz, page 15) This is another delay tactic
11 BellSouth forces on ALECs.

12

13 Q. PLEASE COMMENT ON MR. MILNER'S EXPLANATION OF
14 BELLSOUTH'S SPACE UTILIZATION STANDARDS ON PAGE 25 AND 26 OF
15 HIS TESTIMONY.

16

17 A. What surprises me is Mr. Milner's assertion that ALEC's may reserve space for a
18 two-year total forecast. This is an extremely new situation since last month, and we
19 have yet to actually get any collocations approved with reserved space. Supra
20 factors in space for growth when it applies for collocation. However, for 19 previous
21 applications, BellSouth will only grant Supra enough space to cover the equipment
22 footprint, with no explanation of why the additional space was denied.

23

1 Mr. Milner states on lines 5 and 6 of page 26 that BellSouth will forfeit any reserved
2 space that it will not use within a two-year window, if an ALEC needs it for
3 collocation. As recently as July 20, 1999, BellSouth was denying collocation in the
4 North Dade Golden Glades, and Palm Beach Gardens central office, when by its own
5 testimony before this Commission it had reserved 6 years' growth in the former
6 office, and as much as 25 years' growth for the TOPS switch in the latter office. The
7 Commission should set time periods for reserved collocation space, or nothing has
8 really changed. Why? The Commission must determine the validity of the forecasts
9 made by BellSouth for reserved space. If the forecasts show overly optimistic
10 growth, then requesting carriers will be denied space. If few to no carriers become
11 collocated because of limited space, then BellSouth will experience the loss of only a
12 small percentage of customers. With this small loss, BellSouth will then base its
13 forecast on past history and will not factor in competitive loss, which should be
14 growing every year. Therefore, BellSouth will continue to hold vacant space for
15 future growth. Every time BellSouth can deny space to a requesting carrier, it
16 strengthens its current position by deterring competitive growth. Unless corrected by
17 the Commission, this vicious cycle will repeat itself over and over to the detriment of
18 competition and the benefits thereof to the citizens of Florida.

19

20 Q. DO YOU AGREE WITH MR. MILNER'S CONTENTION THAT GENERIC
21 PARAMETERS CANNOT BE ESTABLISHED FOR THE CONSIDERATION OF
22 ADMINISTRATIVE SPACE FOR COLLOCATION?

23

1 A. No. Mr. Milner states that administrative space is space designated for use other
2 than for directly supporting the installation or repair of equipment. I do not disagree
3 with that or with the examples of such space as shown on page 32, lines 23 and 24.
4 One thing I have found in BellSouth's central offices is that they are constructed in
5 such a manner as to keep out the noise of the equipment areas from certain
6 administrative spaces, such as offices and break rooms. What I do not agree with is
7 when BellSouth claims that a small room is a "training room" when two people can
8 barely hear themselves speak with the door closed. Therefore, the Commission must
9 take into consideration whether the use of the space can actually be performed given
10 the effects of the surrounding environment.

11

12 But further, Mr. Milner's answer clearly sidesteps the issue in contention. The
13 "other" administrative space he did not mention that is taking up switch room and
14 toll area equipment space. I am referring to those vast bins of circuit cards kept as a
15 backup to BellSouth's computerized systems for no good reason: for recyclable
16 waste storage such as circuit packs, bubble wrap, and corrugated cartons; for table
17 and or desk space reserved for vendors' use on an occasional basis; 3, 5 and
18 sometimes even more MAP terminals, with associated desks, file cabinets, printers,
19 and walk areas, per switch. And then to realize those MAP terminals are not even
20 used 12-18 hours per day because the function is handed off to a BellSouth remote
21 Network Operations Center. Modern data networking and management tools offer
22 technologies to reduce all of these things in a cost effective manner.

23

24 To me, this was the administrative space that Mr. Milner was to address in his reply.

25

1 Q. ON PAGE 34 OF HIS DIRECT TESTIMONY, MR. MILNER LISTS THE
2 TYPES OF EQUIPMENT THAT THE FCC'S RECENT ORDER REQUIRES
3 ILECs TO PERMIT IN COLLOCATED SPACE. IS MR. MILNER'S
4 EQUIPMENT LIST ACCURATE?

5

6 A. Yes it is. However, equipment technology is changing rapidly. The Commission
7 should, therefore, not rely on a limited list of equipment available today, but should
8 adopt the forward-looking requirement provided by the FCC. That is, ILECs must
9 permit any piece of equipment, multi-functional or not, that is used or useful for
10 interconnection or access to unbundled elements. The FCC also states that all of the
11 equipment's features, functions, and capabilities may also be used, even if such are
12 not necessary for interconnection or access to unbundled elements. As the
13 Commission uses this standard, it will not be necessary to make an endlessly
14 changing list of equipment permitted for use in a collocated space.

15

16 Q. ON PAGE 15, LINES 12-15, MR. HENDRIX STATES THAT THE
17 ESTIMATE INCLUDES A BREAKOUT OF THE FOLLOWING ELEMENTS:
18 SPACE PREPARATION (e.g., SPACE CONSTRUCTION, CABLE AND CABLE
19 SUPPORT STRUCTURE, POWER BUILDOUT), AND CABLE INSTALLATION
20 (IF THE ALEC OPTS TO PULL ITS OWN ENTRANCE FACILITY TO ITS
21 COLLOCATION ARRANGEMENT). THIS PRICE ESTIMATE IS SUBJECT TO
22 TRUE UP AT THE TIME ACTUAL COSTS ARE AVAILABLE. DO YOU

1 AGREE WITH MR. HENDRIX'S STATEMENT THAT BELLSOUTH
2 PROVIDES A BREAKOUT OF ESTIMATED COSTS?

3

4 A. No. BellSouth does not provide a breakout of costs for space preparation, frame,
5 cable, cable support, etc, or power. BellSouth provides a single cost estimate by
6 each of three sub-categories. Even upon FCC request, Supra Telecom has been
7 unable to obtain a complete and accurate breakdown of costs by central office from
8 BellSouth. The reason for this is that they do not really estimate the costs.
9 BellSouth takes the square footage that the ALEC asks for in the collocation
10 application, multiplies this by several highly controversial factors, and presents this
11 as the estimate for the space preparation and racking and cabling sub-categories of
12 space preparation. Because of this non-existent estimation for the quote, the "true-
13 up" is required to deal with cost overruns that could leave an ALEC paying double
14 the quoted dollar value.

15

16 As Sprint stated in witness Cloz's direct testimony, the ALEC should be provided
17 cost support data sufficient to provide an empirical breakdown of the costs involved.
18 (Cloz, page 23) I would also add that BellSouth should not assess a nonrecurring
19 charge for power to an ALEC. The Florida PSC has concluded that power plant
20 expansions are more appropriately recovered in recurring charges because they will
21 benefit both BellSouth and future collocators. The Commission further stated that
22 power plant investment shall not be included in any space preparation charge
23 assessed to a collocator. BellSouth currently allocates nonrecurring charges to
24 power which is in direct conflict with the PSC's previous decision. (Order No. PSC-
25 98-0604-FOF-TP, page 155)

1

2 Q. ON PAGE 15, LINES 23-25 AND PAGE 16, LINES 5-9, OF MR. HENDRIX'S
3 DIRECT TESTIMONY, HE STATES THAT THE ILEC'S PRICE ESTIMATE IS
4 AN ESTIMATE OF THE WORK THAT WILL BE DONE BY THE ILEC. AS
5 SUCH, IT IS NOT REASONABLE FOR THE ALEC TO PARTICIPATE IN THIS
6 ESTIMATE OTHER THAN BY PROVIDING DETAILED AND ACCURATE
7 INFORMATION REGARDING THE COLLOCATION ARRANGEMENT IT IS
8 REQUESTING. MR. HENDRIX CONCLUDES THAT GIVEN THE
9 PROCEDURE BY WHICH BELLSOUTH PROCESSES COLLOCATION
10 APPLICATIONS , AND THE FACT THAT THE ESTIMATE REPRESENTS THE
11 COST OF WORK TO BE COMPLETED BY THE ILEC AND ITS CERTIFIED
12 VENDORS, IT WOULD BE INEFFICIENT TO HAVE THE ALEC
13 PARTICIPATE IN THE PRICE ESTIMATE. DO YOU AGREE WITH THIS
14 ASSESSMENT?

15

16 A. No. The ALEC should have the option to participate in the development of the
17 price quote. This includes team meetings, site visits, and mutual agreement on the
18 plan prior to quotation. This is the model used by Sprint, and Supra wholeheartedly
19 endorses it. The ALEC may be able to provide suggestions or alternatives that
20 would serve to reduce the provisioning cost, the need for construction requiring
21 permits, and the overall time to collocate. As Sprint stated in its testimony, another
22 concern might be that there is insufficient documentation of the costs available to
23 gain a complete understanding of the price quote in instances where the price quoted
24 exceeds what was expected for a particular collocation. (Clozs, page 23)

1

2 Q. ON PAGE 16, LINES 16-21, MR. HENDRIX STATES THAT AN ALEC
3 SHOULD BE ALLOWED TO USE A CERTIFIED CONTRACTOR TO
4 PERFORM WORK ON THE ALEC'S DEDICATED COLLOCATION SPACE.
5 THE WITNESS STATES THAT BELLSOUTH'S POLICY ON THE
6 PROVISIONING OF COLLOCATION SPACE ALLOWS AN ALEC TO UTILIZE
7 A CERTIFIED CONTRACTOR TO INSTALL THE SPACE ENCLOSURE AND
8 OTHER ELEMENTS THAT ARE INSIDE THE SPACE LEASED BY THE ALEC
9 THAT ARE DEDICATED TO THAT ALEC AND DO NOT AFFECT
10 BELLSOUTH OR ANOTHER ALEC'S EQUIPMENT. MR. HENDRIX
11 FURTHER STATES ON LINES 23-24 THAT BELLSOUTH'S POSITION IS
12 BASED ON NATIONAL PROPERTY MANAGEMENT INDUSTRY-WIDE
13 PRACTICES FOR BUILDING OWNERS WITH MULTI-TENANT
14 OCCUPANCIES. DO YOU AGREE WITH MR. HENDRIX'S ANALYSIS?

15

16 A. No. An ALEC should be allowed to hire contractors to perform space
17 preparation, racking and cabling, and power which is consistent with Rule 51.323(j),
18 CFR 47. Exhibit DAN-1 to my direct testimony, pages 21-23, clearly shows why
19 BellSouth's position has no merit. On each one of these pages, 98 percent of the
20 dollars spent go directly to Lucent or the State of Florida. BellSouth retains less than
21 2 percent of the monies for engineering, labor, and other. Supra contends that all of
22 BellSouth's complaints on this issue can be solved by BellSouth retaining the
23 engineering and supervisory rights and monies, while letting the ALEC subcontract
24 the work to a certified vendor.

1

2 Since all of the recognized Class 5 switch vendors are also power vendors, it only
3 makes sense that an ALEC would subcontract power to their switch vendor,
4 achieving greater economy of scale in the price negotiations, finance collocation
5 costs along with switch costs instead of having to pay all collocation costs up front
6 prior to taking possession of the space, and having control of the permitting process.
7 BellSouth has actually assigned Supra a Dade County permit expeditor. The person
8 who lives and works in the State of Kentucky and can do little to help Supra,
9 compared to what a certified Miami contractor can do to expedite permits.

10

11 Once again, BellSouth seeks to obfuscate the issue of permitting multi-tenant
12 dwellings as a means of denying collocation. Based on previous dockets, Supra has
13 met with the Chief Fire inspector of Miami, the Fire Marshal of the City of Miami,
14 and other surrounding communities. According to the City of Miami, it is not an
15 issue of mulitenancy at all. These local authorities told Supra, "We do not require
16 office buildings to construct fire-rated walls between tenants, and in the central
17 office it would just complicate egress from the building and that is all we are
18 concerned with." They further went on to say that if the BellSouth central office was
19 properly constructed with no shortcuts, there would be no requirements for fire-rated
20 walls.

21

22 The appropriate section covering this issue is Section 26-3.6 of the 1994 version of
23 the Life Safety Code Handbook relating to Corridors. There are three exemptions to
24 the corridor requirement.

25

Exception 1. Where exits are available from an open floor area.

1 Exception 2. Corridors need not have a fire resistance rating within a space
2 occupied by a single tenant.

3 Exception 3. Corridors need not have a fire resistance rating within
4 buildings protected throughout by an approved, automatic sprinkler system in
5 accordance with Section 7-7.

6 The Fire Department of the City of Miami told us that if BellSouth had installed an
7 approved sprinkler system, there would be no issue of fire-rated walls between
8 collocators. Indeed, we have viewed the collocation facilities of Level 3 and other
9 “ALEC Hotels” in the City of Miami, and where there is an approved sprinkler
10 system installed, there are no fire-rated walls for separation between tenants. None
11 of the operators of these alternative central offices had any problem with permitting
12 and fire inspectors that required multi-tenant separations. The more research we do
13 on this issue, the easier it seems for BellSouth to make the problem go away.

14

15 Q. ON PAGE 16, LINES 16-31, MR. HENDRIX STATES THAT AN ALEC
16 SHOULD BE ALLOWED TO USE A CERTIFIED CONTRACTOR TO
17 PERFORM WORK ON THE ALEC’S DEDICATED COLLOCATION SPACE.
18 THE WITNESS STATES THAT BELLSOUTH’S POLICY ON THE
19 PROVISIONING OF COLLOCATION SPACE ALLOWS AN ALEC TO
20 UTILIZE A CERTIFIED CONTRACTOR TO INSTALL THE SPACE
21 ENCLOSURE AND OTHER ELEMENTS THAT ARE INSIDE THE SPACE
22 LEASED BY THE ALEC THAT ARE DEDICATED TO THAT ALEC AND
23 DO NOT AFFECT BELLSOUTH OR ANOTHER ALEC’S EQUIPMENT. DO
24 YOU AGREE.?

1

2 A. No. An ILEC need not handle project management and subcontract certified
3 vendors just to maintain the integrity of a building project, as any general
4 contractor knows. We do not deny the ILEC the right to engineer and specify the
5 project, as they propose to do in exhibit DAN-1. We do wish to avoid additional
6 hidden price markups by BellSouth which easily override the better discount they
7 receive from their vendors. However, the project management, selection and
8 price negotiation can most effectively be performed competitively by the ALEC.
9 Sprint's position in this matter would reduce the up front costs of collocation,
10 defer cash flow and allow financing of the collocation construction, give the
11 ALEC control over its project, and relieve the ILEC of its burden of having to
12 perform within specified time frames. And the jobs should take less time--
13 meaning more benefits to the telephone ratepayers of Florida sooner. Supra
14 encourages the Commission to support Sprint's interpretation of 47 CFR.

15

16 Q. ON PAGE 36 LINE 17 THROUGH PAGE 40 LINE 5 MR. MILNER STATES
17 THAT DELAYS DUE TO PERMITTING ARE LEGITIMATE REASONS FOR
18 THE COLLOCATION TIME FRAME TO EXTEND BEYOND THE 60/90
19 DAYS AS ORDERED BY THIS COMMISSION. DO YOU AGREE?

20

21 A. No. There are numerous things BellSouth can do to eliminate this issue.
22 BellSouth witness Mayes and Bloomer testified to these changes over a year ago

1 in Docket No. 980800-TP, and yet the story remains the same. In a cageless
2 collocation arrangement, there are only two construction activities that could
3 require permitting, HVAC work and 115 VAC duplex outlets. A review of
4 testified to these changes over a year ago in Docket No. 980800-TP, and yet the
5 story remains the same. In a cageless collocation arrangement there are only two
6 construction activities that could require permitting, HVAC work and 115 VAC
7 duplex outlets. Supra had to wait 8 weeks and file a grievance before the FCC
8 before we could enough of a cost breakdown to determine that BellSouth,
9 without ever talking to Supra, or our switch vendor Lucent had designed in
10 HVAC and 155VAC outlet installation, thus ensuring that permits would be
11 pulled on our collocation projects. Supra does not need and does not want the
12 115 VAC outlets, particularly if they will cause a “65-103” day delay in the
13 process as testified by witness Mayes in Docket No. 980800-TP. Lucent has
14 stated that there are no special air-conditioning requirements for the 5ESS-2000
15 switches, standard rooms conditions are appropriate. Yet, BellSouth, without
16 consulting with Supra or Lucent has designed major air-conditioning
17 modifications at highly inflated prices that will require permits and engender
18 delay.

19
20 What is worse, the equipment will initially be lightly loaded, only drawing more
21 power and generating more heat as additional subscribers are signed up and the
22 electronics to support that customer are installed. Yet BellSouth forces you to

1 detail the maximum heat release and input power at the time of collocation.

2 Therefore, there are extensive delays at the beginning of collocation to provision
3 HVAC and power that is not expected be used until the end of the forecast
4 period—two years.

5

6 In Supra's mind, BellSouth creates the permitting issue on multiple fronts, and in
7 spite of their testimony here, does nothing to mitigate the problem, even going so
8 far as to hide the need by refusing to provide detailed price quotes, or plans and
9 specification.

10

11 Q. ON PAGES 17-18, MR. HENDRIX STATES THAT IT IS ESSENTIAL FOR
12 SAFETY REASONS THAT ONE CARRIER PERFORM WORK ON POWER
13 PLANT COMMON ELEMENTS. DO YOU DISAGREE WITH MR.
14 HENDRIX?

15

16 A. Yes, but I believe Mr. Hendrix's testimony was lifted verbatim from the
17 BellSouth answer to the FCC regarding Supra's grievance, identified as Exhibit
18 No. DAN-1. As such, I wonder whether Mr. Hendrix can speak authoritatively
19 on the subject. As I have already pointed out, NO CARRIER is working on
20 power plant common elements; Lucent or another "turf" vendor is doing all the
21 work; BellSouth is engineering and supervising. As such, it is much like an
22 architect, general contractor, subcontractor relationship in construction. While
23 the architect retains all credit and blame for the job, one seldom sees the architect

1 running a wheelbarrow of concrete to pour the foundation. The work is
2 contracted and subcontracted through a series of companies.

3
4 Supra would, in the offices cited in DAN-1, use Lucent as a contractor because
5 of our other business relationships. The Lucent switch division would make sure
6 the power group was responsive to our project schedule, and Supra would receive
7 the benefits of combining the switch, power and other equipment into a master
8 financing package and negotiate appropriate discounts. Instead of paying 100
9 percent of the collocation costs prior to being allowed to begin installing
10 equipment, the financed construction would be spread over time minimizing the
11 payments prior to turning up service and generating revenue.

12

13 So the real issue is not safety or confusion, it is merely our Lucent versus their
14 Lucent performing against BellSouth plans and specifications.

15

16 Q. ON PAGE 18, LINES 14-16, WITNESS HENDRIX STATES THAT
17 ALLOWING MULTIPLE CARRIERS TO PERFORM THE COMMON AREA
18 WORK WOULD NOT ONLY SIGNIFICANTLY INCREASE COSTS, e.g.,
19 DUPLICATION OF EFFORT IN PLANNING DESIGN AND CONSTRUCTION;
20 IT WOULD CREATE CHAOS IN THE CENTRAL OFFICE. MR. HENDRIX
21 CONTINUES ON PAGE 19, LINES 4-8, THAT PROTECTION AGAINST
22 NETWORK OUTAGES REQUIRES THAT BELLSOUTH PERFORM COMMON
23 WORK, ESPECIALLY POWER PLANT CONSTRUCTION OF COMMON
24 ELEMENTS. SUCH COMMON ELEMENTS INCLUDE ANY PORTION OF A

1 POWER PLANT SYSTEM THAT IS SHARED OR MAY BE SHARED BY
2 MULTIPLE USERS. DO YOU AGREE WITH MR. HENDRIX'S TESTIMONY?

3

4 A. No. Apparently Sprint disagrees with BellSouth as stated by Witness Cloz. Let
5 us face it; BellSouth is not going to do that work. Look at exhibit DAN-1, pages 21-
6 23. We are talking about who hires Lucent, who negotiates the price, who is Lucent
7 responsible to for performance and timeframe, and over what time period are the
8 monies paid out. All of these issues are fundamental in affecting the cost of entrance
9 for new, competitive carriers. All of these are fundamental methods of causing an
10 ALEC delay, and the delay is long enough the ALEC will go out of business. As I
11 stated earlier, an ILEC shall permit a collocating telecommunications carrier to
12 subcontract the construction of physical collocation arrangements with contractors
13 approved by the ILEC, provided, however, that the ILEC shall not unreasonably
14 withhold approval of contractors. (Rule 51.323(j), CFR 47)

15

16 In the case of the four Florida exemption docket offices documented in Exhibit
17 DAN-1, there is no common elements; Supra is being charged \$25,000 for a new AC
18 electrical entrance panel, unspecified equipment from Lucent, assumed to be
19 rectifiers, batteries, power distribution, more, potentially double charged for racking,
20 and cabling. I see no common element, Supra is being required to build BellSouth
21 an independent power plant, and BellSouth refused to let Supra subcontract the
22 work, by spreading fear that Lucent will cause network outages if subcontracted to
23 Supra, but will not if subcontracted to BellSouth. The suggestion is preposterous.
24 In any event, the issue is moot for power because this Commission has already ruled
25 on the Supra interconnection agreement in PSC-98-0604-FOF-TP and ordered that

1 there be no non recurring power charges in ALEC collocation space preparation
2 charges. BellSouth must comply with the Commission order.

3

4 Q. Does this conclude your rebuttal testimony?

5

6 A. Yes.

7

8

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail to the following parties of record this 19th day November, 1999.

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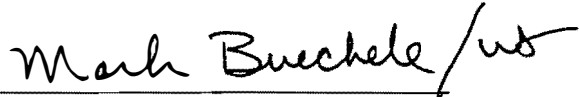
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