

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

| | | |
|----------------------------|---|----------------------|
| In the Matter of | : | DOCKET NO. 981834-TP |
| | : | |
| Petition of Competitive | : | |
| Carriers for Commission | : | |
| Action to support local | : | |
| competition in BellSouth | : | |
| Telecommunications, Inc.'s | : | |
| service territory. | : | |

| | | |
|-------------------------------|---|----------------------|
| Petition of ACI Corp. d/b/a | : | DOCKET NO. 990321-TP |
| Accelerated Connections, Inc. | : | |
| for generic investigation to | : | |
| ensure the BellSouth | : | |
| Telecommunications, Inc., | : | |
| Sprint-Florida, Incorporated, | : | |
| and GTE Florida Incorporated | : | |
| comply with obligation to | : | |
| provide alternative local | : | |
| exchange carriers with | : | |
| flexible, timely, and | : | |
| cost-efficient physical | : | |
| collocation. | : | |



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VOLUME 1

Pages 1 through 184

DOCUMENT NUMBER-DATE
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 FPSC-RECORDS/REPORTING

PROCEEDINGS: HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER SUSAN F. CLARK
COMMISSIONER E. LEON JACOBS

DATE: Wednesday, January 12, 2000

TIME: Concluded at 9:30 a.m.

LOCATION: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
FPSC Division of Records and Reporting
Chief, Bureau of Reporting

APPEARANCES: (As heretofore noted.)

APPEARANCES:

NANCY B. WHITE, BellSouth Telecommunications, Inc., c/o Nancy Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301, appearing on behalf of BellSouth Telecommunications, Inc.

KIMBERLY CASWELL, Post Office Box 110, FLTC0007, Tampa, Florida 33601-0110, appearing on behalf of GTE Florida Incorporated.

J. JEFFRY WAHLEN, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302, appearing on behalf of ALLTEL Communications, Inc.

SUSAN S. MASTERTON, Post Office Box 2214, Tallahassee, Florida 32316, appearing on behalf of Sprint-Florida Incorporated and Sprint Communications Company Limited Partnership.

TRACY HATCH, 101 North Monroe Street, Suite 700, Tallahassee, Florida 32301-1509, appearing on behalf of AT&T Communications of the Southern States, Inc.

RICHARD D. MELSON, Hopping Green Sams & Smith, P.A., Post Office Box 6526, Tallahassee, Florida 32314, and KRISTIN SMITH appearing on behalf of MCI WorldCom, Inc. and Rhythms Links, Inc.

MARK BUECHELE, 2620 S.W. 27th Avenue, Miami, Florida 33133, appearing on behalf of Supra Telecommunications Information Systems, Inc.

CHRISTOPHER GOODPASTOR, 9600 Great Hills Trail,
Suite 150W, Austin, Texas 78759, appearing on behalf of
Covad Communications Company.

VICKI GORDON KAUFMAN, McWhirter, Reeves,
McGlothlin, Davidson, Dekker, Kaufman, Arnold & Steen, 117
South Gadsden Street, Tallahassee, Florida 32301, appearing
on behalf of the Florida Competitive Carriers Association.

MICHAEL A. GROSS, Florida Cable
Telecommunications Association, Inc., 310 North Monroe
Street, Tallahassee, Florida 32301, appearing on behalf of
Florida Cable Telecommunications Association.

LAURA L. GALLAGHER, Laura L. Gallagher, P.A., 101
North College Avenue, Suite 302, Tallahassee, Florida
32301, appearing on behalf of MediaOne Florida
Telecommunications, Inc.

KAREN CAMECHIS, Pennington, Culpepper, Moore,
Wilkinson, Dunbar & Dunlap, P.A., Post Office Box 10095,
Tallahassee, Florida 32302-2095 appearing on behalf of
Time-Warner Telecom of Florida, L.P.

SCOTT A. SAPPERSTEIN, 3625 Queen Palm Drive,
Tampa, Florida 33619, appearing on behalf of Intermedia
Communications, Inc.

JOHN KEKORIAN, ESQUIRE, representing MGC.

DONNA McNULTY, ESQUIRE, 325 John Knox Road, The Atrium, Suite 105, Tallahassee, Florida 32303, representing MCI WorldCom.

BETH KEATING and MARLENE STERN, Florida Public Service Commission, Division of Legal Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, appearing on behalf of the Commission Staff.

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1 P R O C E E D I N G S

2 (Hearing convened at 9:30 a.m.)

3 COMMISSIONER DEASON: Call the hearing to order.

4 Could we have the notice read, please.

5 MS. KEATING: By notice issued November 23rd,
6 1999, this time and place have been set for a hearing in
7 Dockets Nos. 981834 and 990321. The purpose is as set forth
8 in the notice.

9 COMMISSIONER DEASON: Thank you. Appearances.

10 MS. WHITE: Nancy White for BellSouth
11 Telecommunications. Also appearing for BellSouth today will
12 be Phil Carver and Kip Edenfield.

13 COMMISSIONER DEASON: That's Edenfield?

14 MS. WHITE: Yes, E-D-E-N-F-I-E-L-D.

15 MS. CASWELL: Kim Caswell for GTE.

16 MS. MASTERTON: Susan Masterton for Sprint. Also
17 appearing for Sprint is Charles Rehwinkel.18 MR. MELSON: Rick Melson appearing for both
19 Rhythms Links Inc. and MCI WorldCom. With me for Rhythms
20 Links Inc. is Kristin Smith.

21 MS. McNULTY: Donna McNulty for MCI WorldCom.

22 MR. GOODPASTOR: Chris Goodpastor for Covad
23 Communications Company.24 MS. KAUFMAN: Vicki Gordon Kaufman of the
25 McWhirter Reeves law firm for the Florida Competitive

1 Carriers Association.

2 MR. SAPPERSTEIN: Scott Sapperstein for
3 Intermedia Communications.

4 MR. WAHLEN: Jeff Wahlen with the Ausley and
5 McMullen law firm on behalf of ALLTEL Communications, Inc.

6 MR. HATCH: Tracy Hatch appearing on behalf of
7 AT&T Communications for the Southern States, Inc.

8 MS. CAMECHIS: Karen Camechis on behalf of
9 Time-Warner Telecom of Florida.

10 MR. GROSS: Michael Gross on behalf of FCTA, and
11 I'm also appearing on behalf of Laura Gallagher for
12 MediaOne.

13 MR. BUECHELE: Mark Buechele on behalf of Supra
14 Telecom.

15 MS. KEATING: And Beth Keating and Marlene Stern
16 on behalf of Commission staff.

17 COMMISSIONER DEASON: Preliminary matters?

18 MS. KEATING: Staff is aware of no outstanding
19 motions at this time. But I am aware that Intermedia has
20 one point they would like to bring up at this time.

21 MR. SAPPERSTEIN: Thank you. Commissioners,
22 there are four changes that Intermedia would like to notify
23 the Commission of. Julia Strow left Intermedia effective
24 this week, and we will be substituting in Carl Jackson, who
25 will be adopting Julia's testimony.

1 Additionally, Intermedia would like to make a
2 global change which will affect direct and rebuttal
3 testimony, our prehearing statement, and response to Data
4 Request Number 4 from staff. It's a global change changing
5 our reference to business days to calendar days throughout.

6 We are prepared, should the Commission desire,
7 to file revised additions of all four of those documents
8 tomorrow morning and provide copies to all the parties to
9 keep the record clean. And I have also notified most of the
10 parties in advance.

11 COMMISSIONER DEASON: Okay. So you are going to
12 have those changes in written form and will be distributing
13 those tomorrow?

14 MR. SAPPERSTEIN: If that is your desire we can
15 do it that way, and then our witness will also make the
16 changes to the direct and rebuttal testimony on the stand.
17 But because of the change that affects the prehearing
18 statements and the response to data request I wanted to
19 notify the Commission up front.

20 COMMISSIONER DEASON: Any objections or concerns,
21 or questions?

22 MR. CARVER: None from BellSouth.

23 COMMISSIONER DEASON: Very well. Staff is that
24 acceptable?

25 MS. KEATING: That will be fine with us.

1 COMMISSIONER DEASON: Very well. Other
2 preliminary matters?

3 MS. KAUFMAN: Commissioner Deason, I have two
4 preliminary matters. These both affect the prehearing
5 order. On Page 2, I do not represent MGC Communications,
6 Inc. as is indicated there, and I didn't hear their counsel
7 make an appearance, but I believe they will have counsel at
8 the hearing.

9 MR. KERKORIAN: John Kerkorian, Your Honor, for
10 MGC Communications.

11 COMMISSIONER DEASON: Could you repeat your last
12 name, please?

13 MR. KERKORIAN: Kerkorian, K-E-R-K-O-R-I-A-N.

14 COMMISSIONER DEASON: And that is for MGC.

15 MS. KAUFMAN: I believe Mr. Kerkorian is taking
16 Ms. Ash's place, who is also listed on Page 3.

17 And my second item, it's not really a change, but
18 I thought I would let the Commissioners know that throughout
19 the prehearing order you will see statements of position
20 attributed to Joint Statement. And I thought you might want
21 to know that the parties that have taken that position are
22 the Florida Competitive Carriers Association, Time-Warner,
23 MediaOne, and the Florida Cable Telecommunications
24 Association.

25 COMMISSIONER CLARK: Would you repeat that?

1 MS. KAUFMAN: Yes. The parties that are
2 represented by the Joint Statement are the Florida
3 Competitive Carriers Association, Time-Warner, MediaOne, and
4 the Florida Cable Telecommunications Association.

5 I guess that was a lot of parties to list out, so
6 there was a shorthand Joint Statement issued. Thank you.

7 COMMISSIONER DEASON: Other preliminary matters?
8 Staff?

9 MS. KEATING: Well, staff isn't aware of any
10 more. But there are a number of exhibits that we have
11 talked to the parties and believe they can be entered into
12 the record by stipulation at this time. So in order to move
13 this along, I would suggest that we go ahead and take those
14 stipulated exhibits up now.

15 COMMISSIONER DEASON: Okay, that sounds fine.
16 Let's go through those. We need to identify those and make
17 sure there is no objection to them.

18 MS. KEATING: The first one is Staff Exhibit 1,
19 it is the official recognition list. We have compiled a
20 list of the pertinent rules, orders, and cases that may
21 impact this proceeding. And in lieu of reading those into
22 the record, staff would like to offer them as this first
23 exhibit.

24 I do want to point out that MCI has provided a
25 second list with the two Texas orders. And if nobody has a

1 problem with that I would suggest just adding that in to
2 make this a composite exhibit of staff's list and MCI's
3 list.

4 COMMISSIONER DEASON: Any objection? Hearing no
5 objection, then staff's official recognition list along with
6 MCI's --

7 MR. MELSON: That is sitting in front of you on
8 the ledge there.

9 COMMISSIONER DEASON: Very well. These two lists
10 will be identified as Composite Exhibit Number 1.

11 MS. KEATING: The second exhibit we have is
12 Staff's Stipulated Exhibit 1, and that is Sprint's answers
13 to staff's first set of interrogatories numbers 1 through 6.
14 Staff asks that this be marked as hearing Exhibit Number 2.

15 COMMISSIONER DEASON: It will be so identified.

16 Any objection to Exhibit 2? Show then Exhibit 2
17 is admitted as well as Exhibit 1. I assume there is no
18 objection to Exhibit 1? Hearing none, Exhibit 1 is also
19 admitted.

20 (Exhibit Number 1 and 2 admitted into evidence.)

21 MS. KEATING: The third exhibit is Staff's
22 Stipulated Exhibit 2, which is MGC Communications' answers
23 to staff's first set of interrogatories Numbers 1 through 4.

24 COMMISSIONER DEASON: It will be identified as
25 Exhibit 3. Any objection to the admission of Exhibit 3?

1 Hearing no objection, it shall be admitted into the record.

2 (Exhibit Number 3 admitted into evidence.)

3 MS. KEATING: The fourth exhibit is Staff's
4 Stipulated Exhibit 3, Intermedia's answers to staff's first
5 set of interrogatories numbers 1 through 6. We ask that
6 this be marked as Hearing Exhibit Number 4.

7 COMMISSIONER DEASON: It will be so identified as
8 Exhibit 4. Any objection to the admittance?

9 Hearing none --

10 MR. SAPPERSTEIN: Commissioner, I'm sorry, I
11 don't want to object to the admission, but since I will be
12 filing a revised addition to that tomorrow making a change
13 to our response to Number 4, I don't know how staff wants to
14 handle that. I just don't want to confuse the record.

15 COMMISSIONER DEASON: Staff.

16 MS. KEATING: I would suggest that we just
17 tentatively make an indication that a revision will be made
18 to that exhibit, and we can take it up tomorrow morning.

19 COMMISSIONER DEASON: Okay. So Exhibit 4 which
20 is Stipulated Staff's 3, you wish to have it admitted in the
21 present form with the notation that there will be revisions,
22 and that will be addressed tomorrow.

23 MS. KEATING: That is correct.

24 MR. SAPPERSTEIN: Very well.

25 COMMISSIONER DEASON: Thank you.

1 (Exhibit Number 4 admitted in evidence.)

2 MR. SAPPERSTEIN: The fifth exhibit is Staff's
3 Stipulated Exhibit Number 4, MCI WorldCom's answers to
4 staff's first set of interrogatories numbers 1 through 3.
5 Staff asks that this be marked as Hearing Exhibit Number 5.

6 COMMISSIONER DEASON: It will be so identified.
7 Any objection? Hearing no objection, Exhibit 5 is admitted.

8 (Exhibit Number 4 admitted into evidence.)

9 MS. KEATING: The sixth exhibit is Staff's
10 Stipulated Exhibit Number 5, FCCA's answers to staff's first
11 set of interrogatories numbers 1 through 3. We would ask
12 that this be marked as Hearing Exhibit Number 6.

13 COMMISSIONER DEASON: It will be so identified.
14 Is there any objection to Exhibit 6? Hearing no objection,
15 Exhibit 6 is admitted.

16 (Exhibit Number 6 admitted into evidence.)

17 MS. KEATING: The seventh exhibit is Staff's
18 Stipulated Exhibit Number 6, BellSouth's responses to
19 staff's first set of interrogatories numbers 1 through 4.
20 We would ask that this be marked as Hearing Exhibit Number
21 7.

22 COMMISSIONER DEASON: It will be so identified.
23 Is there any objection to Exhibit Number 7? Hearing no
24 objection, Exhibit Number 7 is admitted.

25 (Exhibit Number 7 admitted into evidence.)

1 MS. KEATING: Next is Staff's Stipulated Exhibit
2 Number 7, GTE Florida's responses to staff's first set of
3 interrogatories Numbers 1 through 5. We would ask that this
4 be marked as Exhibit Number 8.

5 COMMISSIONER DEASON: It will be so identified.
6 Is there any objection to Exhibit Number 8? Hearing no
7 objection, Exhibit Number 8 is admitted.

8 (Exhibit Number 8 admitted into evidence.)

9 MS. KEATING: The next exhibit is Staff's
10 Stipulated Exhibit Number 8, Supra's answers to staff's
11 first set of interrogatories numbers 1 through 3. We would
12 ask that this be marked as hearing Exhibit Number 9.

13 COMMISSIONER DEASON: It will be so identified.
14 Is there any objection to Exhibit Number 9? Hearing no
15 objection, Exhibit Number 9 is admitted.

16 (Exhibit Number 9 received into evidence.)

17 MS. KEATING: And the last exhibit is Staff's
18 Stipulated Exhibit Number 9, Covad's responses to staff's
19 first set of interrogatories numbers 1 through 3. We would
20 ask that this be marked as Hearing Exhibit Number 10.

21 COMMISSIONER DEASON: It will be so identified.
22 Is there any objection to Exhibit Number 10? Hearing no
23 objection, Exhibit Number 10 is admitted.

24 (Exhibit Numbers 10 admitted into evidence.)

25 MS. KEATING: And those are all of the exhibits

1 that staff plans to offer as stipulated exhibits.

2 COMMISSIONER DEASON: Any other preliminary
3 matters by any of the parties? Very well. I believe we are
4 prepared then to proceed with testimony.

5 MS. KEATING: That is correct.

6 COMMISSIONER DEASON: I'm going to ask all
7 witnesses that are present and that will be testifying today
8 to please stand and raise your right hand.

9 (Witnesses sworn collectively.)

10 COMMISSIONER DEASON: Thank you. Please be
11 seated.

12 I believe BellSouth's witness is first on the
13 list.

14 MR. CARVER: Yes, sir. BellSouth calls Jerry
15 Hendrix.

16 COMMISSIONER DEASON: Let me remind all witnesses
17 that summaries are to be limited to five minutes unless
18 there is a request to have it longer, and that request will
19 be taken up at the time the witness takes the stand.
20 Thereupon,

21 JERRY D. HENDRIX
22 was called as a witness on behalf of BellSouth
23 Telecommunications, Inc. and, having first been duly sworn,
24 testified as follows:

25 DIRECT EXAMINATION

1 BY MR. CARVER:

2 Q Mr. Hendrix, would you please state your full
3 name and your business address?

4 A Yes. My name is Jerry D. Hendrix. My business
5 address is 675 West Peachtree Street, Atlanta, Georgia.

6 Q By whom are you employed and in what capacity?

7 A By BellSouth, and I am Senior Director over
8 Pricing.

9 Q Have you caused to be prefiled in this proceeding
10 24 pages of direct testimony, including two exhibits?

11 A Yes, I did.

12 Q And have you also caused to be prefiled 20 pages
13 of rebuttal testimony with no exhibits?

14 A Yes, I did.

15 Q Do you have any changes to either your direct or
16 rebuttal testimony?

17 A No, I do not.

18 Q If I were to ask you the questions that appear in
19 your direct and rebuttal testimony today, would your answers
20 be the same?

21 A Yes.

22 MR. CARVER: I would like to request that Mr.
23 Hendrix' direct and rebuttal testimony be inserted into the
24 record as though read.

25 COMMISSIONER DEASON: Without objection the

1 direct and rebuttal testimony of Mr. Hendrix will be
2 inserted into the record.

3 MR. CARVER: And if we could also ask to have his
4 exhibits marked for identification, please.

5 COMMISSIONER DEASON: His exhibits will be
6 identified as Exhibit Number 11.

7 (Exhibit Number 11 marked for identification.)

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1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 DIRECT TESTIMONY OF JERRY D. HENDRIX
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NOs. 981834-TP and 990321-TP
5 OCTOBER 28, 1999

6
7 Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH
8 TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR
9 BUSINESS ADDRESS.

10

11 A. My name is Jerry D. Hendrix. I am employed by BellSouth as Senior Director
12 – Interconnection Services Pricing. My business address is 675 West
13 Peachtree Street, Atlanta, Georgia 30375.

14

15 Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND
16 EXPERIENCE.

17

18 A. I graduated from Morehouse College in Atlanta, Georgia, in 1975, with a
19 Bachelor of Arts Degree. I began employment with Southern Bell in 1979, and
20 have held various positions in the Network Distribution Department before
21 joining the BellSouth Headquarters Regulatory organization in 1985. On
22 January 1, 1996, my responsibilities moved to Interconnection Services Pricing
23 in the Interconnection Customer Business Unit. In my position as Senior
24 Director, I oversee the negotiations of interconnection agreements between
25 BellSouth and Alternative Local Exchange Companies ("ALECs").

1

2 Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE A STATE
3 COMMISSION?

4

5 A. Yes. I have testified in proceedings before the Alabama, Florida, Georgia,
6 Kentucky, Louisiana, Mississippi, and South Carolina Public Service
7 Commissions, the North Carolina Utilities Commission, and the Tennessee
8 Regulatory Authority.

9

10 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

11

12 A. My testimony will address issues from the Florida Public Service
13 Commission's ("Commission") Staff resulting from the Competitive Carriers'
14 and ACI Corporation's petitions for a generic collocation proceeding and
15 establishment of procedures and consolidation of Docket Nos. 981834-TP and
16 990321-TP. Specifically, I will address Issues 1, 2, 5 - 8, 13 - 15, 17 - 19, and
17 21.

18

19 Q. PLEASE GIVE A BRIEF REGULATORY HISTORY OF COLLOCATION
20 WITHIN BELLSOUTH CENTRAL OFFICES.

21

22 A. BellSouth entered into Interconnection Agreements with requesting
23 telecommunications carriers per the Federal Communications Commission's
24 ("FCC's") Expanded Interconnection Order released in 1991 and 1992. The
25 FCC's First Report and Order (CC Docket 96-98 and 95-185) rendered shortly

1 after the Telecommunications Act of 1996, further clarified BellSouth's
2 interconnection and collocation obligations, and BellSouth thus adapted its
3 Interconnection and Collocation Agreements to meet these obligations. Most
4 recently, the FCC's 706 Order (CC Docket 98-147, FCC 99-48) outlined
5 additional collocation obligations for incumbent Local Exchange Carriers
6 (ILECs). As such, BellSouth is transitioning its current Collocation
7 Agreements ("pre-FCC 99-48 agreements") to the terms and conditions of its
8 new Collocation Agreement ("FCC 99-48 inclusive agreements"), which is
9 attached as JDH-1.

10

11 **Issue 1. When should an ILEC be required to respond to a complete and correct**
12 **application for collocation and what information should be included in that**
13 **response?**

14

15 Q. WHAT PROCESS MUST AN ALEC FOLLOW TO ORDER
16 COLLOCATION?

17

18 The ordering process for collocation is a two-phase process consisting of the
19 Application Inquiry phase and the Bona Fide Firm Order phase. To initiate the
20 Application Inquiry phase, a collocator must submit a complete and accurate
21 BSTEI-1 Application Inquiry document (which I have attached, with
22 instructions, to my testimony as JDH-2) with the appropriate Application Fee,
23 for review and planning by BellSouth equipment engineers, space planners and
24 facility planners. A proposed equipment layout, an estimate of the square

25

1 footage or bay space required and the application fee must accompany each
2 Application Inquiry as indication of a bona fide request.

3

4 Q. WHAT PROCESS DOES BELLSOUTH FOLLOW TO RESPOND TO AN
5 APPLICATION FOR COLLOCATION?

6

7 A. BellSouth will provide a comprehensive written response to an application for
8 collocation (“Application Response”) in the following manner. A CLP first
9 submits an application for collocation to the Account Team Collocation
10 Coordinator (“ATCC”) within its account team. When the application is
11 received by the ATCC, in addition to verifying that it is complete and accurate,
12 the ATCC must distribute the application to six different departments within
13 BellSouth and to one BellSouth Certified Vendor. Property and Services
14 Management (“P&SM”) evaluates the impact of the applicant’s equipment
15 placement on existing central office building support systems (e.g., Heating,
16 Ventilation and Air Conditioning or HVAC, building space). Common
17 Systems Capacity Management (“CSCM”) and Circuit Capacity Management
18 (“CCM”) assess the central office infrastructure related to the application, such
19 as cable rack requirements, cable lengths and routes, fiber entrance
20 arrangements and routes, and point of demarcation terminations (CDF, DSX,
21 LGX). In the event the applicant wishes to place its own entrance facility,
22 Outside Plant Engineering (“OSPE”) surveys the location and determines the
23 availability of spare ducts from the manhole into the central office and whether
24 construction or rearrangements will be required. Power Capacity Management
25 (“PCM”) and BellSouth’s certified power vendor analyze the impact of the

1 application on existing power capacity within the central office to determine
2 whether additional power capacity will be required to support the collocator's
3 equipment. Each of these organizations estimates the cost of provisioning the
4 supporting infrastructure required by the collocation request. The
5 Interconnection Network Access Coordinator ("INAC") then reviews the
6 application responses from each of the network organizations, verifies that the
7 response is complete and accurate, and coordinates the response back to the
8 applicant through the ATCC. Although developing an Application Response is
9 complex, the process is efficient; these departments prepare their estimates in
10 parallel to respond to the customer's request as soon as possible.

11

12 Q. WHEN SHOULD AN ILEC BE REQUIRED TO RESPOND TO A
13 COMPLETE AND CORRECT APPLICATION FOR COLLOCATION?

14

15 A. Pursuant to this Commission's recent order, BellSouth will inform an ALEC
16 within fifteen (15) calendar days of receipt of an application whether its
17 application for collocation is accepted or denied as a result of space
18 availability. BellSouth will also advise the applicant within that timeframe
19 whether the application is considered bona fide, or if it is not bona fide, the
20 items necessary to cause the application to be bona fide.

21

22 For physical collocation requests in Florida, BellSouth will provide an
23 Application Response within thirty (30) calendar days of receipt of the
24 completed application and Application Fee. BellSouth works closely with
25 customers to establish priorities for their request when there is a need to

1 process multiple applications within the same time frame. When multiple
2 applications are submitted within a fifteen business day window, BellSouth's
3 policy has been to respond to the applications as soon as possible, but no later
4 than the following: within thirty (30) business days for 1-5 applications; thirty
5 six (36) business days for 6-10 applications; within forty two (42) days for 11-
6 15 applications. Response intervals for applications in the same state in excess
7 of 15 must be negotiated.

8

9 For virtual collocation requests, BellSouth's policy has been to provide an
10 Application Response within twenty (20) business days of receipt of the
11 complete application and Application Fee. When multiple applications are
12 submitted within a fifteen business day window, BellSouth has responded to
13 the applications as soon as possible, but no later than the following: within
14 twenty (20) business days for 1-5 applications; within twenty six (26) business
15 days for 6-10 applications; within thirty two (32) business days for 10-15
16 applications. Response intervals for applications in the same state in excess of
17 15 must be negotiated. All negotiations will consider the total volume of all
18 requests from telecommunications companies for collocation.

19

20 Q. WHAT INFORMATION SHOULD BE INCLUDED IN AN APPLICATION
21 RESPONSE FOR COLLOCATION?

22

23 A. The Application Response will include estimates of the Space Preparation
24 Fees, the Cable Installation Fee (if applicable), and the estimated date the space
25 will be available. The Application Response will also detail whether the

1 amount of space requested is available or, if the amount of space requested is
2 not available, the amount of space that is available. The response will also
3 include the configuration of the space.

4

5 **Issue 2. If the information included in the initial response is not sufficient to**
6 **complete a firm order, when should the ILEC provide such information or**
7 **should an alternative procedure be implemented?**

8

9 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

10

11 A. The information provided by BellSouth in the Application Response, as
12 described above, is sufficient for the ALEC to complete a firm order. An
13 ALEC submitting an application for collocation with BellSouth works with an
14 account team, and an Account Team Collocation Coordinator ("ATCC")
15 assigned to work with it through the application and provisioning process. To
16 my knowledge, BellSouth has never omitted information that was necessary
17 for a collocation applicant to move forward with a Firm Order. Should such an
18 omission occur, the ALEC can simply contact its ATCC for resolution. Any
19 missing information could then be provided from the ATCC directly to the
20 collocation applicant as soon as it is available. Working directly with the
21 applicant is an efficient process and makes any alternative procedure
22 unnecessary.

23

24 **Issue 5. What terms and conditions should apply to converting virtual**
25 **collocation to physical collocation?**

1

2 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

3

4 A. The terms and conditions that should apply for converting virtual to physical
5 collocation should be consistent with the terms and conditions of the
6 assessment and provisioning of physical collocation. These terms and
7 conditions are negotiated between the carriers and are found in the collocation
8 agreement between the carriers. An application for a conversion of virtual to
9 physical collocation should be evaluated just as an application for physical
10 collocation would. Requests for in-place conversions should be evaluated on
11 an individual case basis, and a set of criteria used to ensure consistency in
12 evaluation. These conversions will be evaluated as to whether there are
13 extenuating circumstances or technical reasons that would cause the
14 arrangement to become a safety hazard within the Premises or otherwise
15 conflict with the terms and conditions of the collocator's collocation
16 agreement. Additionally, there can be no change to or conversion of the virtual
17 arrangement that could cause the arrangement to be located in the area of the
18 Premises reserved for BellSouth's forecasted growth. The location of the
19 virtual collocation arrangement must also be considered: the conversion of a
20 virtual arrangement to a physical arrangement must not impact the ILEC's
21 ability to secure its own facilities as granted by the recent FCC Order 99-48.

22

23 Q. WHY DOES BELLSOUTH TREAT A REQUEST FOR A CONVERSION IN
24 THE SAME MANNER IT TREATS A REQUEST FOR PHYSICAL
25 COLLOCATION?

1
2 A. Virtual collocation and physical collocation are two different service offerings.
3 While a collocating carrier has direct access to its physical collocation
4 equipment on a twenty-four hour a day, seven-day a week basis, access to
5 virtual collocation is restricted to limited inspection visits only. Since
6 BellSouth leases virtual collocation equipment from the carrier and assumes
7 the maintenance and repair responsibility at the direction of the carrier, virtual
8 collocation arrangements are most commonly placed within the BellSouth line-
9 up. The conversion of an existing virtual collocation arrangement to a physical
10 collocation arrangement usually necessitates either the relocation of the virtual
11 collocation equipment to the space designated for the new physical collocation
12 arrangement or the placement of new equipment in the physical collocation
13 space and the decommissioning of the old virtual collocation arrangement.
14
15 This conversion process gives BellSouth the ability to manage its space in the
16 most efficient manner possible. BellSouth must separately review its ability to
17 provide physical collocation and assess the support components necessary for
18 the particular arrangement (e.g., space allocation based on engineering
19 drawings, HVAC, power feeder and distribution, grounding, cable racking). In
20 performing these activities, BellSouth incurs costs. BellSouth recovers these
21 costs through the assessment of a physical collocation Application Fee.
22 Furthermore, BellSouth is obligated by the Telecommunications Act to treat
23 requesting collocators in a non-discriminatory manner. Each request for a
24 physical collocation arrangement is handled in the same non-discriminatory
25 manner, whether it is a physical collocation request or a request for a

1 conversion from virtual to physical collocation. Therefore, a collocator who
2 previously had virtual collocated equipment within an office follows the same
3 process to obtain physical collocation as a collocator that did not previously
4 have virtual collocation within that office.

5

6 **Issue 6. What are the appropriate response and implementation intervals for**
7 **ALEC requests for changes to existing collocation space?**

8

9 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

10

11 A. To clarify, BellSouth understands the question to refer to ALEC requests for
12 changes to the ALEC's own existing collocation space. Understanding such,
13 the response interval for a request for change to an existing space should not
14 exceed 30 days. This interval provides the ILEC the time needed to perform
15 the steps detailed involved in assessing and responding to the request. The
16 implementation interval for a request for changes to an ALEC's existing
17 collocation space should not exceed 60 calendar days, under normal
18 conditions. Normal conditions should be described as conditions in which
19 none of the following exist: material equipment ordering required, HVAC or
20 power upgrades or additions, addition to floor space, racks, or bays. Under
21 conditions other than normal, the interval for a request for changes to an
22 ALEC's own existing collocation space should be the same interval as a new
23 request, 90 calendar days.

24

25

1 **Issue 7. What are the responsibilities of the ILEC and collocators when:**

2 **a) A collocator shares space with, or subleases space to, another collocator;**

3 **b) A collocator cross-connects with another collocator.**

4

5 Q. WHAT ARE THE APPROPRIATE TERMS AND CONDITIONS WITH
6 RESPECT TO SHARED OR SUBLEASED CAGED COLLOCATION?

7

8 A. The terms and conditions regarding Shared (Subleased) Caged Collocation are
9 contained in Section 3.1 of the standard agreement I attached to my testimony
10 as Exhibit JDH-1. In general, an ALEC may allow other telecommunications
11 carriers to share its caged collocation arrangement pursuant to terms and
12 conditions agreed to by the ALEC (the "Host" in the arrangement) and other
13 telecommunications carriers (the "Guests"). The following exceptions apply:
14 (1) where local building code does not allow Shared (Subleased) Caged
15 Collocation and (2) where the BellSouth central office premises is located
16 within a leased space and BellSouth is prohibited by that lease from offering
17 such an option. The terms and conditions of the agreement between the Host
18 and its Guests must be written and a copy provided to BellSouth within ten
19 (10) business days of its execution and prior to the placement of any Firm
20 Order. Further, the agreement between the Host and its Guests shall
21 incorporate by reference the rates, terms, and conditions of the Agreement
22 between BellSouth and Host ALEC ("Collocation Agreement").

23

24 The Host ALEC will be the sole interface and responsible party to BellSouth
25 for the purpose of submitting applications for initial and additional equipment

1 placements of its Guests; for the assessment of rates and charges contained
2 within the Collocation Agreement; and for the purposes of ensuring that the
3 safety and security requirements of the Collocation Agreement are fully
4 complied with by the Guest(s), its employees and agents. The initial Guest
5 application will require the assessment of an Application Fee, as set forth in
6 Exhibit A of the Collocation Agreement. Subsequently, the Guests may
7 arrange directly with BellSouth for the provision of the interconnecting
8 facilities between itself and BellSouth and for the provisions of the services
9 and access to unbundled network elements.

10

11 Q. WHAT ARE THE APPROPRIATE ILEC AND ALEC RESPONSIBILITIES
12 WITH RESPECT TO CROSS-CONNECTS ESTABLISHED BETWEEN
13 TWO COLLOCATING ALECS?

14

15 A. Cross-connections made between collocating ALECs within the same central
16 office are referred to as Co-Carrier Cross-Connects, the terms and conditions
17 of which are located in Section 5.6 of the standard collocation agreement,
18 Exhibit JDH-1. Generally, an ALEC may directly connect to other collocating
19 ALECs within the designated BellSouth Central Office, given that this cross
20 connection is made in addition to, and not in lieu of, obtaining interconnection
21 with, or access to, BellSouth telecommunications services, unbundled network
22 elements, and facilities. An ALEC may also utilize these cross connects to its
23 other virtual or physical collocated arrangements located with the same central
24 office. These Cross-connects may be established either through facilities
25 owned by the ALEC or through BellSouth facilities designated by the ALEC,

1 at the ALEC's option.

2

3 Such connections to other carriers may be made using either optical or
4 electrical facilities. ALECs may deploy such optical or electrical connections
5 directly between its own facilities and the facilities of other Interconnector(s)
6 without being routed through BellSouth equipment.

7

8 If an ALEC requests a co-carrier cross-connect after the initial installation, it
9 must submit an application with a Subsequent Application Fee. The ALEC
10 must use a BellSouth Certified Vendor to place the co-carrier cross connect,
11 except in cases where the ALEC equipment and the equipment of the other
12 collocators are located within contiguous collocation spaces. In cases where
13 the ALEC's equipment and the equipment of the other collocator are located in
14 contiguous collocation spaces, the ALEC will have the option to deploy the co-
15 carrier cross- connects between the sets of equipment.

16

17 **Issue 8. What is the appropriate provisioning interval for cageless physical**
18 **collocation?**

19

20 Q. IS THERE ANY DIFFERENCE IN THE PROVISIONING INTERVALS OF
21 CAGED VERSUS CAGELESS COLLOCATION?

22

23 A. No. BellSouth's has found that its provisioning interval is not controlled by
24 the time required to construct an arrangement enclosure. When BellSouth has
25 performed the construction of an arrangement enclosure, the activities required

1 to design and construct the enclosure were a relatively minor portion, and
2 certainly not the controlling factor, in the provisioning interval for collocation.

3

4 The controlling factors in the overall provisioning interval actually include the
5 time required to complete the space conditioning, add to or upgrade the
6 heating, ventilation, and air conditioning system for that area, add to or
7 upgrade the power plant capacity and power distribution mechanism, and build
8 out network infrastructure components such as the number of cross-connects
9 requested. When the construction of an arrangement enclosure is not required
10 or is not performed by BellSouth, all other collocation area and network
11 infrastructure work must still take place.

12

13 BellSouth commits to complete its construction and provisioning activities as
14 soon as possible but, at a maximum, within the intervals specified in the
15 standard agreement, attached as Exhibit JDH-1. Because space preparation and
16 network infrastructure work must be completed regardless of the type of
17 arrangement selected, in states other than Florida, BellSouth proposes
18 provisioning intervals of 90 business days under normal conditions or 130
19 business days under extraordinary conditions. These intervals are
20 appropriately applied to either enclosed (caged) or unenclosed (cageless)
21 physical collocation. In Florida, BellSouth strives to meet the guidelines
22 adopted by the Commission: 90 calendar days for physical collocation.

23

24 **Issue 13. If space is available, should the ILEC be required to provide price**
25 **quotes to an ALEC prior to receiving a firm order for space in a central office**

1 (CO)?

2 A) If an ILEC should provide price quotes to an ALEC prior to receiving a
3 firm order from that ALEC, when should the quote be provided?

4 B) If an ILEC should provide price quotes to an ALEC prior to receiving a
5 firm order from that ALEC, should the quote provide detailed costs?

6

7 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

8

9 A. BellSouth provides price estimates to an ALEC prior to receiving a firm order
10 for space in a central office. This price estimate is provided within thirty (30)
11 business days from the time a complete and accurate application and
12 application fee is received from the ALEC. The estimate includes a breakout
13 of the following elements: Space Preparation (e.g., space construction, cable
14 and cable support structure, power buildout), and Cable Installation (if the
15 ALEC opts to pull its own entrance facility to its collocation arrangement).
16 This price estimate is subject to true up at the time actual costs are available.

17

18 **Issue 14. Should an ALEC have the option to participate in the development of**
19 **the ILEC's price quote, and if so, what time frames should apply?**

20

21 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

22

23 A. The ILEC's price estimate is an estimate of the cost of the work that will be
24 done by the ILEC. As such, it is not reasonable for the ALEC to participate in
25 this estimate other than by providing detailed and accurate information

1 regarding the collocation arrangement it is requesting. This information
2 includes racking information, bay information, power and cable requirements,
3 equipment layout and other specifics. In turn, the ILEC should have the
4 necessary procedures in place to provide a timely and accurate cost estimate to
5 the requesting ALEC. Given the procedure by which BellSouth processes
6 collocation applications as described earlier in my testimony, and the fact that
7 the estimate represents the cost of work to be completed by the ILEC and its
8 certified vendors, it would be inefficient to have the ALEC participate in the
9 price estimate.

10

11 **Issue 15. Should an ALEC be permitted to hire an ILEC certified contractor to**
12 **perform space preparation, racking and cabling, and power work?**

13

14 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

15

16 A. An ALEC should be allowed to use a certified contractor to perform work on
17 the ALEC's dedicated collocation space. Indeed, BellSouth's policy on the
18 provisioning of collocation space allows an ALEC to utilize a certified
19 contractor to install the space enclosure and other elements that are inside the
20 space leased by the ALEC that are dedicated to that ALEC and do not affect
21 BellSouth or another ALEC's equipment.

22

23 BellSouth's position is based on national property management industry-wide
24 practices for building owners with multi-tenant occupancies. Owners of multi-
25 tenant premises typically limit tenants to work only in their space and on their

1 specific systems in multi-tenant leased situations. For example, when a tenant
2 leases space in a multi-tenant building, the tenant is allowed to build walls
3 inside their space, add lighting and receptacles and install equipment but they
4 are not allowed to do major mechanical or electrical work that serves or runs
5 through other tenant space. This is based on safety and service reliability
6 concerns for all occupants of the building. Likewise in BellSouth's collocation
7 arrangements, the tenant/ALEC may install the welded wire cage that
8 surrounds its equipment, frame and aisle lighting and electrical receptacles on
9 its equipment. It may ground the wire cage and its equipment and perform the
10 asbestos abatement inside its space, if required. These elements are dedicated
11 to that particular tenant/ALEC. The landlord/BellSouth, however, performs all
12 site readiness work that is outside of the tenant's/ALEC's space and that could
13 potentially affect the landlord/ILEC's and other tenants'/ALECs' working
14 equipment. Such work includes, but is not limited to, space preparation (e.g.,
15 system mechanical equipment changes and ductwork, ground bar additions,
16 security access installations, handicapped upgrades required by the Americans
17 with Disabilities Act), power work, cable and racking, and other code required
18 common improvements. These items are common to all tenants/ALECs and
19 the landlord/ILEC.
20
21
22

23 There are significant policy reasons why an ALEC cannot be permitted to
24 perform all site readiness work for collocation. First, planning, and execution
25

1 of the plans, in the central office must be performed by the ILEC. If an ALEC
2 is allowed to perform all site readiness work, either one ALEC must be
3 allowed to perform all work common to all collocators or multiple ALECs
4 would have to be allowed to attempt piece-meal work on common pieces of
5 equipment in common areas. Either scenario is obviously not workable. If one
6 ALEC is allowed to do the common work for the entire central office, how
7 should that ALEC be selected? Even if all ALECs could agree on one ALEC
8 to perform this work, who would be responsible for planning future growth, or
9 be held accountable for failures in the equipment. Allowing a single entity
10 other than the ILEC to perform such work would be illogical and
11 inefficient.
12

13
14 Moreover, allowing multiple carriers to perform the common area work would
15 not only significantly increase costs, e.g., duplication of effort in planning,
16 design and construction; it would create chaos in the central office. Multiple
17 engineers, whether working concomitantly or sequentially, preparing designs
18 for multiple occupants with multiple contractors trying to work on one piece of
19 machinery or one piece of duct is at best disconcerting and potentially
20 dangerous. Whose work would take precedence? How would system and
21 plant requirements be determined if no one has the overall responsibilities? In
22 the event of equipment failure, how would responsibility be assigned? Indeed,
23
24
25

1 BellSouth contends that under such conditions collocation would come to a
2 grinding halt.

3
4 Second, protection against network outages requires that BellSouth perform
5 common work especially power plant construction of common elements. Such
6 common elements include any portion of a power plant system that is shared or
7 may be shared by multiple users. Examples include rectifiers, batteries, power
8 boards, and common BDFBs. Reasons for this position include the
9 requirement to not impede the entry of any ALEC into the marketplace and
10 maintenance of reliability and safety standards. BellSouth routinely receives
11 concurrent physical collocation inquiries from multiple ALECs for the same
12 central office. Any one or combination of inquiries may trigger power capacity
13 exhaust.
14

15
16 Finally, it is essential for safety reasons that one carrier perform work on
17 power plant common elements. Multiple carriers working these elements
18 greatly increase the possibility for improper wiring. Improperly wired systems
19 can present serious electrical hazards. Because ILECs are the most
20 experienced with their own power plant elements, they should be responsible
21 for work on all common elements within the central office.
22
23
24
25

1 **Issue 17. How should the costs of security arrangements, site preparation,**
2 **collocation space reports, and other costs necessary to the provisioning of**
3 **collocation space, be allocated between multiple carriers?**

4

5 Q. PLEASE ADDRESS THE MANNER IN WHICH BELLSOUTH RECOVERS
6 EACH OF THE COSTS MENTIONED IN THIS ISSUE.

7

8 A. The recovery of volume insensitive costs associated with security
9 arrangements, site preparation, and collocation reports, i.e. those costs that do
10 not vary with the demand, will be made in an equitable manner. The method
11 will not penalize the first collocator, nor benefit subsequent collocators.
12 Additionally, the costs will be allocated among all parties that benefit.

13

14 In order for BellSouth to meet the requirements of the FCC's recent Advanced
15 Services Order (FCC 99-48, released March 31, 1999) as it relates to the
16 provision of collocation, BellSouth will file with this Commission a cost study
17 for security access systems and collocation space reports. BellSouth, in an
18 effort to limit the number of elements priced on an Individual Case Basis
19 ("ICB"), will also include several new space preparation rate elements.

20 Brief descriptions of the rate elements associated with Security Access are as
21 follows:

22

23 (1). The Security System rate element is a monthly charge that will be
24 assessed per central office. It recovers the costs associated with the card reader
25 system installed to monitor and secure the central office. Since the card reader

1 benefits both ALECs and BellSouth, this volume insensitive cost will be
2 recovered over the anticipated number of collocators (BellSouth being included
3 as part of that number) per central office.

4
5 (2). The New Access Card Activation rate element contains a nonrecurring
6 charge, which reflects the costs associated with providing and programming
7 the card, and a monthly recurring charge associated with system software cost.
8 The programming is done a per card basis and thus, is volume sensitive and no
9 allocation is required. The system software has a certain card limitation. Thus,
10 the costs are developed based utilizing that capacity constraint. This rate
11 element applies per new card issued.

12
13 (3). The Administrative Change, Existing Card, per Card rate element is a
14 nonrecurring charge assessed per card, per request, to reflect the administrative
15 cost of changing information associated with an existing card. The work
16 activities are conducted on a per card basis. This rate element could apply
17 under several circumstances, including but not limited to, personnel change for
18 a card or adding access to additional central offices to a card.

19
20 (4). The Replace Lost or Stolen Card rate element is a nonrecurring charge,
21 assessed to recover the cost of replacing a lost or stolen card and deactivating
22 the existing card. The work activities are conducted on a per card basis.

23
24 Currently, BellSouth recovers space preparation costs on an individual case
25 basis ("ICB"). BellSouth pro-rates the cost for space preparation on a per

1 square foot basis and then charges the ALEC based on the number of square
2 feet utilized by the ALEC. Since the cost of preparing the collocation space
3 varies by central office, the pro-rated rate per square foot varies. However, as I
4 mentioned previously, BellSouth will file costs for some space preparation
5 elements to give ALECs a clearer picture of their charges. At this time,
6 BellSouth has not completed the final methods and procedures associated with
7 the new site preparation and collocation space report rate elements. Thus, a
8 definitive discussion of the rate elements and the cost methodology would be
9 premature. However, BellSouth will recover volume insensitive costs in a
10 manner that is equitable to all parties involved.

11

12 **Issue 18. If insufficient space is available to satisfy the collocation request, should**
13 **the ILEC be required to advise the ALEC as to what space is available?**

14

15 Q. DOES BELLSOUTH PROVIDE INFORMATION REGARDING WHAT
16 SPACE IS AVAILABLE WHERE THERE IS INSUFFICIENT SPACE
17 AVAILABLE TO SATISFY A COLLOCATION REQUEST?

18

19 A. Yes. In the event an ALEC applies for physical collocation in a BellSouth
20 central office where space for such collocation is exhausted or limited,
21 BellSouth will notify the applicant of that situation and inform them of what
22 space is available. The ALEC can then choose to either accept the space that is
23 available; accept the space available and place the remaining amount of space
24 it requested on the waiting list BellSouth maintains for that central office;
25 choose not to accept the space and place its entire request on the waiting list; or

1 simply choose not to accept the space offered.

2

3 **Issue 19. If an ILEC has been granted a waiver from the physical collocation**
4 **requirements for a particular CO, and the ILEC later makes modifications that**
5 **create space that would be appropriate for collocation, when should the ILEC be**
6 **required to inform the Commission and any requesting ALECs of the availability**
7 **of space in that office?**

8

9 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

10

11 A. When BellSouth has received an application for physical collocation in a
12 central office that does not have space available for such collocation, BellSouth
13 will maintain a waiting list of all ALECs that have submitted an application
14 requesting physical collocation within that central office. When space
15 becomes available for physical collocation in a previously exhausted central
16 office, BellSouth will notify the ALECs that can be accommodated in the
17 newly available, space based on the square footage each customer has
18 requested. BellSouth will notify these ALECs a maximum of 60 days prior to
19 the space availability date. BellSouth will inform the Commission on the
20 space availability date that space for physical collocation has been made
21 available. On the space availability date, BellSouth will also file with the
22 Commission to remove the waiver from that central office.

23

24 **Issue 21. Applying the FCC's "first-come, first-served" rule, if space becomes**
25 **available in a central office because a waiver is denied or a modification is made,**

1 **who should be given priority?**

2

3 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

4

5 A. For central offices in which space for physical collocation has been exhausted,
6 BellSouth maintains a waiting list that contains the ALECs and the amount of
7 space each requested, in the order of BellSouth's receipt of each collocation
8 application. When space for physical collocation becomes available in a
9 central office which was previously exhausted, space is offered in a "first-
10 come, first-right of refusal" manner. ALECs on the waiting list that can be
11 accommodated in the newly available space based on square footage
12 previously requested are notified of the availability of space and are requested
13 to notify BellSouth whether the ALEC still wants the space it had initially
14 requested. The space is then distributed in a first-come, first-served manner,
15 based on the order in which each appears on the waiting list.

16

17 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

18

19 A. Yes.

20

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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF JERRY D. HENDRIX
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NOS. 981834-TP and 990321-TP
NOVEMBER 19, 1999

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

A. My name is Jerry D. Hendrix. I am employed by BellSouth as Senior Director – Interconnection Services Pricing. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. ARE YOU THE SAME JERRY HENDRIX WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to respond to the direct testimony of the following witnesses:

- 1 • Ms. Julia Strow, witness for Intermedia Communications, Inc.
- 2 (“Intermedia”)
- 3 • Ms. Melissa Cloz, witness for Sprint
- 4 • Mr. Michael Hunsucker, witness for Sprint
- 5 • Mr. Joseph Gillan, witness for The Florida Competitive Carriers
- 6 Association, (“FCCA”)
- 7 • Mr. Ron Martinez, witness for MCI WorldCom, Inc.
- 8 • Mr. Robert Williams, witness for Rhythms Links, Inc.
- 9 • Mr. James Falvey, witness for e.spire Communications, Inc.
- 10 • Mr. Andrew Levy, witness for MGC Communications, Inc.
- 11 • Mr. Michael Moscaritolo, witness for Covad Communications Company
- 12 (“Covad”)
- 13 • Mr. David Nilson, witness for Supra Telecommunications and Information
- 14 systems, Inc. (“Supra”).

15

16 **ISSUE 1: WHEN SHOULD AN ILEC BE REQUIRED TO RESPOND TO A**
17 **COMPLETE AND CORRECT APPLICATION FOR COLLOCATION AND**
18 **WHAT INFORMATION SHOULD BE INCLUDED IN THAT RESPONSE?**
19

20 **ISSUE 2: IF THE INFORMATION INCLUDED IN THE INITIAL RESPONSE**
21 **IS NOT SUFFICIENT TO COMPLETE A FIRM ORDER, WHEN SHOULD**
22 **THE ILEC PROVIDE SUCH INFORMATION OR SHOULD AN**
23 **ALTERNATIVE PROCEDURE BE IMPLEMENTED?**

24

25 Q. SEVERAL WITNESSES STATED IN DIRECT TESTIMONY THAT THE
26 ILEC SHOULD RESPOND TO A COMPLETE AND CORRECT

1 APPLICATION FOR COLLOCATION WITHIN 10 DAYS BASED ON
2 THE FEDERAL COMMUNICATIONS COMMISSION'S ("FCCs")
3 ADVANCED SERVICES ORDER (ORDER 99-48, CC DOCKET NO. 99-
4 147). DO YOU AGREE WITH THIS READING OF THE ORDER?

5

6 A. No. The FCC did not establish a rule requiring Incumbent Local Exchange
7 Carriers ("ILECs") to respond to an application for collocation within 10
8 days. The FCC simply made reference to what it considers reasonable in
9 accepting or denying an application based on whether there is space available
10 for the request. The FCC states at paragraph 55 of the Advanced Services
11 Order the following: "We view ten days as a reasonable time period within
12 which to inform a new entrant whether its collocation application is accepted
13 or denied." Again, this was not stated as a requirement, but as a statement of
14 what is reasonable amount of time to accept or deny an application.

15

16 As stated in my direct testimony, BellSouth will inform an ALEC within
17 fifteen (15) calendar days of an application whether its application for
18 collocation in Florida is accepted or denied as a result of space availability.
19 This is in compliance with this Commission's recent order which states in
20 part: "The ILEC shall respond to a complete and correct application for
21 collocation within 15 calendar days." (Order No. PSC-99-1744-PAA-TP,
22 Section II A)

23

1 Q. CAN YOU RESPOND TO MR. GILLAN'S POSITION THAT AN ILEC
2 SHOULD PROVIDE PHYSICAL COLLOCATION VIA A TARIFFED
3 OFFERING?

4
5 A. At Page 8 of his testimony, Mr. Gillan states in part that "The commission
6 should also require that the ILECs file generally available tariffs..." His
7 statement is in apparent reference to paragraph 40 of the FCC's Advanced
8 Services Order, which he cites at Page 5 of his testimony. Paragraph 40 states
9 the following:

10 We require incumbent LECs to make each of the arrangements
11 outlined below available to competitors as soon as possible without
12 waiting until a competitive carrier requests a particular arrangement,
13 so that competitors will have a variety of collocation options from
14 which to choose.

15 This in no way requires an ILEC to tariff physical collocation offerings. This
16 paragraph simply requires BellSouth and other ILECs to develop the
17 offerings, as well as the methods and procedures necessary to provision them,
18 to make the various types of collocation available for ALECs to request them.
19 BellSouth developed the cageless physical collocation offering, as well as the
20 other types of physical collocation offerings required by the FCC, and has
21 made them available in Attachment 4 of its standard interconnection
22 agreement.

23

24 Furthermore, BellSouth is required by Section 252 of the Telecommunications
25 Act of 1996 to negotiate collocation agreements. As a practical matter, if

1 BellSouth were to file a physical collocation tariff, it would probably still
2 negotiate agreement for the vast majority of ALEC collocation requests,
3 making the development of the tariff a wasted effort. The best approach is to
4 develop standard rates for all physical collocation elements within a standard
5 collocation agreement, an effort that is well under way. It is therefore not
6 appropriate for this Commission to require all ILECs to file a physical
7 collocation tariff.

8

9 Q. MR. ANDREW LEVY STATES (PAGE 3) THAT, "THE MOST
10 EFFICIENT METHOD OF HANDLING COLLOCATION REQUESTS,
11 WHETHER FOR AN INITIAL REQUEST OR FOR SUBSEQUENT
12 REQUESTS OR 'AUGMENTS,' IS WHEN PRICING IS SUBJECT TO
13 ESTABLISHED RATES UNDER A TARIFF, AS OPPOSED TO
14 'INDIVIDUAL CASE BASIS' OR 'ICB' PRICING. COLLOCATION
15 SHOULD BE TARIFFED." DO YOU AGREE?

16

17 A. No. As I stated above, tariffing physical collocation is most likely to be a
18 wasted effort. Including standard rates for all physical collocation elements
19 within a standard agreement would produce the same efficiencies Mr. Levy
20 seeks. As I also stated, the development of these standardized rates is well
21 under way.

22

23 Q. MR LEVY (PAGE 4) IMPLIES THAT BELLSOUTH HAS TARIFF
24 PRICING FOR COLLOCATION IN GEORGIA. PLEASE RESPOND.

25

1 A. Mr. Levy is wrong. BellSouth does not tariff physical collocation.

2

3 **ISSUE 5: WHAT TERMS AND CONDITIONS SHOULD APPLY TO**
4 **CONVERTING VIRTUAL COLLOCATION TO PHYSICAL**
5 **COLLOCATION?**

6 Q. MS. STROW (PAGE 4) STATES THAT THE RECENT FCC ORDER ON
7 COLLOCATION SPECIFICALLY PROVIDES FOR ALECS TO REMAIN
8 COMINGLED WITH THE ILEC EQUIPMENT, BUT UNDER A
9 PHYSICAL CAGELESS COLLOCATION ARRANGEMENT. DO YOU
10 AGREE?

11

12 A. No. The FCC Order states in part that, "Incumbent LECs must allow
13 competitors to collocate in any unused space in the incumbent LEC's
14 premises..." (FCC 99-48, Appendix B, 51.323(k)(2)). The space that houses
15 the virtual collocation arrangements is typically located within BellSouth's
16 lineup, and is space that can be re-used by BellSouth for another virtual
17 collocator's equipment. As such, the space the virtual arrangement occupies
18 is not unused space. The Order also states that, "The incumbent LEC may
19 take reasonable steps to protect its own equipment, such as enclosing the
20 equipment in its own cage..." (FCC 99-48, Paragraph 42). BellSouth cannot
21 exercise its right to enclose its own equipment if ALEC equipment is located
22 within its lineups. Therefore, the FCC's Order in no way provides for ALEC
23 equipment "to remain commingled with the ILEC's equipment" (Page 4) as
24 Ms. Strow asserts.

25

1 Q. WHAT IS THE APPROPRIATE MANNER IN WHICH TO HANDLE A
2 REQUEST FOR A CONVERSION FROM VIRTUAL TO PHYSICAL
3 COLLOCATION?
4

5 A. Upon an ALEC's submission of a physical collocation application requesting
6 the conversion of a virtual collocation arrangement to a physical collocation
7 arrangement, BellSouth will consider such a conversion, evaluate each such
8 request and will advise the ALEC of its conversion option and the location of
9 the physical collocation arrangement. The conversion will either change the
10 virtual collocation arrangement to a cageless physical collocation arrangement
11 without the relocation of the arrangement, or the conversion will require the
12 relocation of the equipment arrangement to another location within the
13 BellSouth Central Office premises.
14

15 Q. WHAT CONSIDERATIONS SHOULD BE GIVEN TO THE PLACEMENT
16 OF THE COLLOCATION ARRANGEMENT IN SUCH A CONVERSION?
17

18 A. First, an application for a conversion of virtual to physical collocation should
19 be evaluated just as an application for physical collocation. Cageless
20 collocation is a type of physical collocation and should be treated as such.
21 Requests for in-place conversions should be evaluated on an individual case
22 basis, and a set of criteria used to ensure consistency in evaluation. These
23 conversions will be evaluated as to whether there are extenuating
24 circumstances or technical reasons that would cause the arrangement to
25 become a safety hazard within the premises or otherwise conflict with the

1 terms and conditions of the collocator's collocation agreement. Additionally,
2 there can be no change to or conversion of the virtual arrangement that could
3 cause the arrangement to be located in the area of the premises reserved for
4 BellSouth's forecasted growth. The location of the virtual collocation
5 arrangement must also be considered: the conversion of a virtual arrangement
6 to a physical arrangement must not impact the ILEC's ability to secure its
7 own facilities as granted by the FCC, as I stated earlier: "The incumbent LEC
8 may take reasonable steps to protect its own equipment, such as enclosing the
9 equipment in its own cage..." (FCC 99-48, Paragraph 42). Other
10 considerations with respect to the placement of a collocation arrangement
11 include cabling distances, the distances between related equipment, the
12 grouping of equipment into families of equipment, the equipment's electrical
13 grounding requirements, and future growth needs. BellSouth considers all
14 these technical issues with the overall goal of making the most efficient use of
15 available space to ensure that as many ALECs as possible are able to collocate
16 in the space available.

17
18 Q. DO YOU AGREE WITH MR. FALVEY'S STATEMENT (PAGE 6) THAT
19 THE PRINCIPLE DISTINCTION BETWEEN A VIRTUAL AND
20 PHYSICAL COLLOCATION IS THE ALEC'S RIGHT OF ACCESS TO
21 THE EQUIPMENT?

22
23 A. No. Mr. Falvey minimizes the distinguishing characteristics between virtual
24 and physical collocation. As I discuss later in my testimony, virtual

1 collocation and cageless physical collocation are two separate service
2 offerings that are provisioned in different ways.

3

4 **ISSUE 6: WHAT ARE THE APPROPRIATE RESPONSE AND**
5 **IMPLEMENTATION INTERVALS FOR ALEC REQUESTS FOR CHANGES**
6 **TO EXISTING COLLOCATION SPACE?**

7 Q. MS. CLOSZ (PAGES 12 - 13) STATES THAT ALECS' REQUESTED
8 CHANGES TO EXISTING COLLOCATION SPACE WILL VARY. DOES
9 THAT IMPACT THE RESPONSE AND IMPLEMENTATION
10 INTERVALS?

11

12 A. Yes. Ms. Closz makes a valid point, in that the type of request makes a
13 difference in the work required. This supports BellSouth's position that the
14 ILEC must assess the requirements associated with each request. For
15 example, the changes could impact the power or other infrastructure
16 requirements. As stated in my direct testimony, it is appropriate that the
17 requested changes to the ALEC's space should not require an implementation
18 interval that exceeds 60 calendar days, under normal conditions.

19

20 Q. PLEASE RESPOND TO MR. MARTINEZ' STATEMENT ON PAGE 10
21 WHERE HE STATES THAT MOST CHANGES MADE BY AN ALEC
22 WITHIN ITS COLLOCATION SPACE DO NOT WARRANT
23 IMPLEMENTATION INTERVALS OR ADDITIONAL APPLICATIONS
24 OR APPLICATION FEES.

25

1 A. With his statement, Mr. Martinez makes an over-generalization regarding
2 additions to or modifications of existing collocation arrangements. He cannot
3 speak to the additions or modifications another ALEC may make to existing
4 collocation arrangements. An addition or modification may result in the need
5 for additional central office supporting infrastructure, such as upgrades in
6 HVAC, power plant, or cable racking. The assessment of whether additions
7 to these support items are needed must be made on a per-request basis by the
8 ILEC. The ILEC incurs costs as a result of performing these assessments, and
9 in turn recovers these costs through subsequent application fees.
10

11 **ISSUE 7: WHAT ARE THE RESPONSIBILITIES OF THE ILEC AND**
12 **COLLOCATORS WHEN:**

13 **a) A COLLOCATOR SHARES SPACE WITH, OR SUBLEASES SPACE**
14 **TO, ANOTHER COLLOCATOR;**

15 **b) A COLLOCATOR CROSS-CONNECTS WITH ANOTHER**
16 **COLLOCATOR.**
17

18 Q. ON PAGE 13 OF MR. LEVY'S TESTIMONY, HE STATES THAT THERE
19 IS NO TECHNICAL OR BUSINESS REASON THAT AN ILEC COULD
20 NOT PROVIDE THE POWER AND TIE DOWNS, OR ANYTHING ELSE
21 REQUESTED, TO THE SUBLESSEE AND BILL IT SEPARATELY. DO
22 YOU AGREE?
23

24 A. No. The FCC states that, "A shared collocation cage is a caged collocation
25 space shared by two or more competitive LECs pursuant to terms and

1 conditions agreed to by the competitive LECs.” (FCC 99-48, Paragraph 41)
2 As such, BellSouth believes that it is entirely appropriate for the initial
3 collocator (Host) to be the sole interface and responsible party to BellSouth
4 for all collocation matters. All collocation space activity and fees should be
5 the responsibility of the Host. However, BellSouth will interface directly with
6 the party sharing the space (Guest) for the provisioning of its interconnection
7 facilities and for the provisioning of access to unbundled network elements,
8 pursuant to the following requirement: “In addition, if two or more
9 competitive LECs who have interconnection agreements with an incumbent
10 LEC utilize a shared collocation arrangement, the incumbent LEC must
11 permit each competitive LEC to order UNEs to an provision service from that
12 shared collocation space, regardless of which competitive LEC was the
13 original collocator.” (FCC 99-48, Paragraph 41)
14

15 Q. MR. WILLIAMS (PAGES 11 –12) PROVIDES ADDITIONAL
16 GUIDELINES THAT SHOULD APPLY TO NEW SHARED
17 COLLOCATION ARRANGEMENTS. PLEASE COMMENT.
18

19 A. Mr. Williams seems to be stating that the any resident collocator should be
20 able to submit requests for changes to the collocation space. He is not making
21 any distinction between the Host and Guest. He further states on lines 16 – 19
22 that any additional or extraordinary charges incurred should be billed directly
23 to the requesting resident collocator. Again, BellSouth believes that the initial
24 collocator (Host) should be the sole interface and responsible party to
25 BellSouth for all collocation matters. To do otherwise would likely cause

1 administrative and billing errors. This arrangement should be no different than
2 any other sublease arrangement where the host takes full responsibility for all
3 issues surrounding the leased item.

4

5 Q. MR. MARTINEZ (PAGES 12 – 14) CONTENDS THAT ALECS SHOULD
6 BE ABLE TO PLACE CO-CARRIER CROSS-CONNECTS WITHOUT
7 THE PAYMENT OF AN APPLICATION FEE. HOW DO YOU
8 RESPOND?

9

10 A. I disagree. When an ALEC requests a co-carrier cross-connect after the initial
11 installation, a separate assessment of the available infrastructure (e.g., cable
12 racking) available for such a cross-connection must be performed. Without
13 such an assessment, the engineering or planning necessary for the installation
14 of the cross-connect cannot be performed. The ALEC must submit an
15 application and make payment of the appropriate fees to recover costs
16 incurred by the ILEC for this assessment.

17

18 **ISSUE 8: WHAT IS THE APPROPRIATE PROVISIONING INTERVAL FOR**
19 **CAGELESS PHYSICAL COLLOCATION?**

20 Q. ON PAGE 15 OF MS. CLOSZ' TESTIMONY, SHE STATES THAT THE
21 INTERVALS FOR CAGELESS PHYSICAL COLLOCATION SHOULD BE
22 SHORTER. DO YOU AGREE?

23

24 A. No. Space preparation and network infrastructure work must still be done.
25 As I stated in my direct testimony, these are the controlling factors in the

1 overall provisioning interval. Just removing the requirement to construct a
2 cage does not affect the overall provisioning interval.

3

4 Q. PLEASE RESPOND TO MR. NILSON'S (PAGE 9) POSITION THAT THE
5 PROVISIONING INTERVAL FOR CAGELESS PHYSICAL
6 COLLOCATION SHOULD MIRROR THAT OF VIRTUAL
7 COLLOCATION.

8

9 A. The provisioning requirements for cageless physical collocation are not the
10 same as virtual. Cageless collocation is "physical collocation that does not
11 require the use of collocation cages" (FCC Advanced Services Order,
12 Paragraph 38). Virtual collocation and physical collocation, cageless or
13 otherwise, are two different services, provisioned in two separate ways. With
14 virtual collocation, the ALEC does not have direct access to its collocated
15 equipment. BellSouth leases the ALEC's equipment and assumes the
16 responsibility to maintain it. Since BellSouth technicians work on virtual
17 collocation equipment, it is typically placed within BellSouth's lineup to
18 provide more efficient access to the equipment. With physical collocation,
19 however, the ALEC performs its own maintenance activities and therefore
20 requires access to its equipment. Since the Advanced Services Order states
21 that, "The incumbent LEC may take reasonable steps to protect its own
22 equipment, such as enclosing the equipment in its own cage," (paragraph 42)
23 BellSouth typically places physical collocation arrangements outside of its
24 lineup, in unused space. This unused space often requires space preparation
25 and infrastructure construction activities before equipment may be placed

1 within it. Therefore, the provisioning activities for virtual and physical
2 collocation are not the same, as Mr. Nilson suggests (Page 9). It is
3 appropriate for BellSouth to commit to complete its construction and
4 provisioning activities for cageless collocation as soon as possible but, at a
5 maximum, within the intervals specified for physical collocation.
6

7 **ISSUE 13: IF SPACE IS AVAILABLE, SHOULD THE ILEC BE REQUIRED**
8 **TO PROVIDE PRICE QUOTES TO AN ALEC PRIOR TO RECEIVING A**
9 **FIRM ORDER FOR SPACE IN A CENTRAL OFFICE (CO)?**

10 **A) IF AN ILEC SHOULD PROVIDE PRICE QUOTES TO AN ALEC**
11 **PRIOR TO RECEIVING A FIRM ORDER FROM THAT ALEC, WHEN**
12 **SHOULD THE QUOTE BE PROVIDED?**

13 **B) IF AN ILEC SHOULD PROVIDE PRICE QUOTES TO AN ALEC**
14 **PRIOR TO RECEIVING A FIRM ORDER FROM THAT ALEC,**
15 **SHOULD THE QUOTE PROVIDE DETAILED COSTS?**
16

17 **Q. PLEASE COMMENT ON THE STATEMENTS MADE IN THE**
18 **TESTIMONY OF MR. MARTINEZ (PAGE 17) AND MS. STROW (PAGE**
19 **14) REGARDING THE PROVISION OF FIRM PRICE QUOTES BY THE**
20 **ILEC.**

21
22 **A. Mr. Martinez states, "An ILEC should be required to provide a firm price**
23 **quote as part of its initial response to an ALEC's application for collocation"**
24 **(Page 17). Ms. Strow states, "The ILEC should provide price quotes to the**
25 **ALEC within thirty (30) days from the date of the application" (Page 14). As**

1 stated in my direct testimony (Pages 4 – 6), providing a cost estimate in
2 response to an application is a complex endeavor. As such, BellSouth
3 currently provides an estimate of the cost to implement physical collocation
4 within 30 calendar days of receipt of the completed application and
5 application fee. Where multiple applications are involved, BellSouth will
6 commit to respond as quickly as possible, within the timeframes mentioned
7 within its standard collocation agreement.

8
9 **ISSUE 14: SHOULD AN ALEC HAVE THE OPTION TO PARTICIPATE IN**
10 **THE DEVELOPMENT OF THE ILEC'S PRICE QUOTE, AND IF SO, WHAT**
11 **TIME FRAME SHOULD APPLY?**

12 Q. MR. MOSCARITOLO (PAGES 13 – 14) AND MR NILSON (PAGE 14)
13 STATE THAT ALECS SHOULD HAVE THE OPTION TO PARTICIPATE
14 IN THE DEVELOPMENT OF THE PRICE QUOTE. HOW DO YOU
15 RESPOND?

16
17 A. Mr. Moscaritolo states that the ILEC should be required to deliver to the
18 ALEC copies of all invoices relating to the preparation of the ALEC's
19 requested space to determine whether the ILEC's price quote is reasonable.
20 Mr. Nilson suggests that ALECs be allowed to subcontract the work in an
21 effort to impact the ILEC's price quote. As I stated in my direct testimony,
22 *The ILEC's price estimate is an estimate of the cost of the work that will be*
23 *performed by the ILEC. As such, it is not reasonable for the ALEC to*
24 *participate in this estimate other than by providing detailed and accurate*
25 *information regarding the collocation arrangement it is requesting. ALEC*

1 involvement in the price estimate is inappropriate, as it would be inefficient
2 and perhaps slow the application response process.

3

4 **ISSUE 15: SHOULD AN ALEC BE PERMITTED TO HIRE AN ILEC**
5 **CERTIFIED CONTRACTOR TO PERFORM SPACE PREPARATION,**
6 **RACKING AND CABLING, AND POWER WORK?**

7 Q. MR. FALVEY (PAGE 11) AND MR. MARTINEZ (PAGE 17) STATE
8 THAT ALECS SHOULD BE ABLE TO HIRE AN ILEC CERTIFIED
9 CONTRACTOR TO PERFORM SPACE PREPARATION WORK. DO
10 YOU AGREE?

11

12 A. No. As I stated in my direct testimony, BellSouth should perform all site
13 readiness work that is outside of the ALEC's space, as well as, any work that
14 could potentially affect BellSouth's and other ALECs' working equipment.
15 This position is based on national property management industry-wide
16 practices for building owners with multi-tenant occupancies. It is also based
17 on concerns for safety, efficiency, and service reliability for all occupants of
18 the building.

19

20 Q. MR. FALVEY STATES (PAGE 11) THAT AN ALEC SHOULD NOT BE
21 REQUIRED TO UTILIZE AN ILEC-CERTIFIED VENDOR FOR
22 INSTALLATION WORK. WHAT IS BELL SOUTH'S POSITION?

23

24 A. BellSouth requires the use of a BellSouth-certified vendor for the engineering
25 and installation of equipment and facilities placed within a BellSouth central

1 office or upon a BellSouth property in an adjacent collocation arrangement.
 2 BellSouth adheres to this requirement itself and expects any other entity
 3 installing equipment and facilities within a BellSouth central office to do
 4 likewise. Moreover, the FCC Rule 51.323(j) states:

5 An incumbent LEC shall permit a collocating telecommunications
 6 carrier to subcontract the construction of physical collocation
 7 arrangements with contractors approved by the incumbent LEC,
 8 provided, however, that the incumbent LEC shall not unreasonably
 9 withhold approval of contractors. Approval by an incumbent LEC
 10 shall be based on the same criteria it uses in approving contractors for
 11 its own purposes.

12
 13 Therefore, it is clear that under the Rule, the collocation arrangement must be
 14 performed by the contractor that is “approved by the incumbent LEC,” in
 15 other words, certified.

16
 17 Q. WHY IS THE USE OF A CERTIFIED VENDOR NECESSARY?

18
 19 A. Use of a certified vendor is necessary to ensure compliance with technical,
 20 safety and quality standards. Failure to comply with the technical, safety and
 21 quality standards could not only result in non-performance, network failure, or
 22 network outage, but also hazardous conditions, including but not limited to
 23 electrocution or fire. BellSouth is responsible for assuring the operating
 24 environment of its own network, the public switched network, and that of
 25 other collocators. The intricacies associated with equipment engineering and

1 installation are best managed through a process that ensures the consistent
2 application of technical, safety and security practices. It is BellSouth's
3 position that the vendor certification process is the appropriate mechanism to
4 maintain these standards. BellSouth's use of the certified vendor process is in
5 the public interest. It assures that the technicians performing critical wiring
6 and electrical connections are competent to do so, thus protecting the integrity
7 of the public switched network.

8

9 **ISSUE 17: HOW SHOULD THE COSTS OF SECURITY ARRANGEMENTS,**
10 **SITE PREPARATION, COLLOCATION SPACE REPORTS, AND OTHER**
11 **COSTS NECESSARY TO THE PROVISIONING OF COLLOCATION**
12 **SPACE, BE ALLOCATED BETWEEN MULTIPLE CARRIERS?**

13

14 Q. PLEASE RESPOND TO MR. LEVY'S STATEMENT ON PAGE 20 THAT
15 THESE COSTS SHOULD BE ENTIRELY PAID FOR BY THE ILEC.

16

17 A. BellSouth adamantly disagrees with Mr. Levy. The FCC states: "We expect
18 that state commissions will permit incumbent LECs to recover the costs of
19 implementing these security measures from collocating carriers in a
20 reasonable manner." (FCC 99-48, Paragraph 48). The FCC further states
21 "We expect that state commissions will permit incumbent LECs to recover the
22 costs of implementing these reporting measures from collocating carriers in a
23 reasonable manner." (FCC 99-48, Paragraph 58). Therefore, the ALECs,
24 which in this case are the cost causers, should bear such security and reporting
25 costs.

1

2 Q. MR. MARTINEZ (PAGE 20) STATES THAT ANY ALEC THAT MAY
3 HAVE PAID FOR SECURITY SYSTEMS THAT ARE NOT REQUIRED
4 OR PERMITTED UNDER THE ADVANCED SERVICES ORDER
5 SHOULD BE REIMBURSED FOR THOSE COSTS. DO YOU AGREE?

6

7 A. No. Whatever the ALEC paid for in the past was appropriate based on the
8 rules in effect and agreements made at that time.

9

10 **ISSUE 18: IF INSUFFICIENT SPACE IS AVAILABLE TO SATISFY THE**
11 **COLLOCATION REQUEST, SHOULD THE ILEC BE REQUIRED TO**
12 **ADVISE THE ALEC AS TO WHAT SPACE IS AVAILABLE?**

13 Q. MR MOSCARITOLO (PAGE 15) STATES THAT THE ILEC SHOULD
14 NOTIFY THE ALEC IF ONLY A PORTION OF THE REQUESTED
15 SPACE IS AVAILABLE, AND THEN PROCEED TO PROVISION SUCH
16 SPACE WITHOUT DELAY. DO YOU AGREE?

17

18 A. BellSouth agrees in part. If insufficient space is available, BellSouth notifies
19 ALECs as to what space is available. However, BellSouth will not proceed to
20 provision such space without a firm order from the ALEC.

21

22 **ISSUE 19: IF AN ILEC HAS BEEN GRANTED A WAIVER FROM THE**
23 **PHYSICAL COLLOCATION REQUIREMENTS FOR A PARTICULAR CO,**
24 **AND THE ILEC LATER MAKES MODIFICATIONS THAT CREATE**
25 **SPACE THAT WOULD BE APPROPRIATE FOR COLLOCATION, WHEN**

1 **SHOULD THE ILEC BE REQUIRED TO INFORM THE COMMISSION AND**
2 **ANY REQUESTING ALECS OF THE AVAILABILITY OF SPACE IN THAT**
3 **OFFICE?**

4

5 Q. PLEASE RESPOND TO MR. LEVY'S STATEMENT ON PAGE 22 THAT
6 NOTIFICATION SHOULD OCCUR AT LEAST THREE MONTHS
7 BEFORE THE ADDITIONAL SPACE IS READY FOR ALEC
8 OCCUPANCY.

9

10 A. At this time, BellSouth cannot commit to making a notification at least three
11 months prior to space availability. Given the current level of collocation
12 activity, it is not reasonable to require ILECs to estimate what space will be
13 made available by modifications to be made over three months in the future
14 with the degree of accuracy necessary to support collocation requests.
15 BellSouth notifies ALECs and the Commission that additional space will
16 become available a maximum of 60 days prior to the space available date.

17

18 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

19

20 A. Yes.

21

22

23

24

25

1 BY MR. CARVER:

2 Q Mr. Hendrix, could you summarize your testimony,
3 please?

4 A Yes, I can, and I will be brief.

5 There are many issues in this case, however, when
6 you boil them down to the ones that I will address you are
7 left with really two broad issues, and they are who will
8 manage the space in BellSouth's central offices and what are
9 the intervals for provisioning collocation space to ALECs
10 who are wanting to get into those offices.

11 As to who will be responsible for managing the
12 space in the ILEC offices, in the case of BellSouth we think
13 it should be BellSouth. One party has to maintain the
14 common areas, make sure that the space is allocated
15 appropriately, that all parties are treated fairly, and that
16 safety and regulatory mandates are followed. I would
17 advocate that since BellSouth is in this for awhile, we have
18 the experience with the systems in place in the offices,
19 that we should be that party.

20 The second major issue is the case of how long
21 should it take to provision collocation space. Let me
22 assure you that BellSouth desires to get the ALECs into the
23 collocation spaces as soon as possible, but there are many
24 steps that cannot simply be avoided. The inquiry and firm
25 order process is a very complex process. There are no

1 standard collocation arrangements, nor are there any
2 standard offices. Each request is different and must be
3 treated so.

4 The process is very similar to that of building a
5 house. When you build a house you have many parties
6 involved. You have the people that will go out and survey
7 the property, inspect the property, you have your plumbers,
8 electricians, roofers, to just name a few. The process is a
9 very complex process. And to get this work done, it takes
10 time and quite a few people to make it happen.

11 Like a house, each request is different and must
12 be evaluated on its own. Likewise, there are major
13 differences between a virtual and a physical collocation.
14 In virtual, the collocation equipment is placed in
15 BellSouth's line-up and it is maintained by BellSouth.
16 Collocators have access to their equipment on a limited
17 basis.

18 In a physical collocation, the ALEC has access on
19 a 24-hour-a-day, 7-days-a-week basis and they maintain their
20 own. Some of the intervenors in this case would argue that
21 virtual should be converted in place to physical all of the
22 time. I do not agree.

23 Virtual is placed in BellSouth's two-year growth
24 space if there is no other space. Once it is moved to
25 physical, BellSouth has given up that growth space.

1 However, BellSouth is willing to convert virtual to physical
2 in place if that is what we have to do on a case-by-case
3 basis. We look at the technical, the safety, as well as
4 whether there is space and also is BellSouth able to ensure
5 that no damage would happen to its own services.

6 As a general rule, physical collocation, be it
7 cage or cageless, work must be done to prepare the assigned
8 space, space must be allocated appropriately. You must put
9 in your air conditioning, your lighting, your power, you
10 have to ensure adequate cable racking, and you have to
11 ensure that all safety measures are followed, such as
12 grounding. All of this work must be done whether the
13 arrangement is a cage or cageless collocation.

14 The time it takes to prepare the arrangement is
15 not determined by whether or not a cage is in need of being
16 built. For caged collocation, there are approximately 85
17 steps in the ordering and all of the other processes that we
18 must follow to get that collocation space to the customer on
19 time. For cageless, you simply avoid one step, and that is
20 building the cage.

21 That concludes my summary.

22 MR. CARVER: Thank you, Mr. Hendrix. The witness
23 is available for cross-examination.

24 COMMISSIONER DEASON: Questions? I'm just going
25 to go down from my left to my right if you have questions.

1 Mr. Melson.

2 CROSS EXAMINATION

3 BY MR. MELSON:

4 Q Good morning, Mr. Hendrix. I'm Rick Melson. I
5 will be asking questions today of you on behalf of both
6 Rhythms Links Inc. and MCI. In your testimony with regard
7 to the interval for BellSouth to respond to an initial
8 application for collocation, you indicate that BellSouth can
9 live with the Commission's guideline of 15 calendar days, is
10 that correct?

11 A That is correct.

12 Q But you qualify that by saying that in situations
13 where there are more than 15 applications submitted in a
14 given state, that BellSouth would propose to extend that
15 interval, is that correct?

16 A Well, I think what I have stated, and I believe
17 what you are looking at is Page 6, and I believe what it
18 states there is if there are multiple requests within a
19 given period of time, and then I go on to list whether there
20 is one to five, six to ten, 11 to 15, and I give different
21 intervals based on those quantities.

22 Q And you indicate that if there are in excess --
23 and you're right, I phrased my question wrong. I'm sorry.
24 If there are greater than 15 applications submitted in a
25 single state within a window, then BellSouth would negotiate

1 an interval for responding to those, is that correct?

2 A That is correct.

3 Q What is BellSouth's experience with how long
4 those negotiations take?

5 A It varies from customer-to-customer, so there is
6 no set time. One thing that we try to do is to be very
7 timely in responding to the customers. But as I mentioned
8 in my summary, each request coming to us is quite different
9 and what the customers are wanting would be quite different.

10 Q What if the parties cannot agree on an interval
11 for processing multiple applications?

12 A Then usually either as part of the collocation
13 agreement or the interconnection agreement that is usually
14 accompanied with there is a process, and the process will
15 usually require another party to be made part of that
16 process or they may come back here and complain that they
17 were not able to agree on such intervals.

18 Q So you would have to go into some sort of dispute
19 resolution process, possibly a process before the
20 Commission?

21 A That is correct.

22 Q So is it fair to say that under BellSouth's
23 approach there is no enforceable outside limit on the
24 response interval when you are dealing with, in this case,
25 greater than 15 applications submitted once in a single

1 state?

2 A No, I would not agree with that. Let me say
3 first, BellSouth does not desire that any carrier will come
4 and complain that we were unable to work out the difference.
5 So we will make every effort to be as -- we will make every
6 effort to meet the customer and we would ask that the
7 customer would do the same. But short of that process that
8 you gave a summary of and what I just mentioned, that is the
9 process.

10 Q Well, let me ask the question, again, because I
11 guess I didn't get an answer that seemed to fit what I think
12 you and I had agreed the process is. Isn't it fair to say
13 that there is no enforceable outside limit for BellSouth's
14 response in a situation when you are dealing with more than
15 15 applications?

16 A That is correct.

17 Q Now, let's talk just a minute about provisioning.
18 Assume for the purposes of this question that no permits are
19 required for a particular collocation arrangement. If the
20 resources were available sort of immediately to do the work,
21 how long does the actual process of installing any necessary
22 racks and cabling take? That is not a process -- the
23 physical construction piece of the process does not take 90
24 days, for example, in the case of a caged physical
25 collocation, does it?

1 A It varies really. There is no set answer. On
2 average what customers come to us with are different from
3 customer to customer. But if we were to make assumptions on
4 any standard equipment placement the customer would bring to
5 us, I'm not certain what that average is because it is
6 different. I mean, there isn't a single answer. There
7 isn't a single average.

8 Q Well, let me ask you this. In any collocation
9 installation situation, and say you got one that took
10 exactly 90 days, there is not physical activity going on in
11 the CO toward the completion of that collocation on every
12 one of those 90 days, is that correct? I mean, the physical
13 work doesn't take 90 man days. And if you don't know,
14 that's fine.

15 A Well, I do not know. But what I will add, just
16 as I mentioned, each request what we are finding from
17 customers, each request is different. And it is different
18 based on the offices, because the offices are not standard,
19 neither are the requests from the customers. So I cannot
20 answer that.

21 Q Okay. Let me then ask you a minute about your
22 analogy of building a home. When a contractor tells me it
23 is going to take six months to build a home, my experience
24 at least is a lot of that time is consumed in scheduling
25 resources and the plumber can't get there on the day the

1 plumber is needed and the electrician runs late.

2 Do you experience that same type of situation in
3 a collocation context?

4 A I would be -- it would be misleading for me to
5 say no. I mean, this is a business, so you could likely
6 have those cases where you aren't able to sync everything
7 up. But then that would be likely for both the CLEC or the
8 ALEC customer as well as BellSouth. It could be because the
9 ALEC customer would have a certified vendor that is doing
10 work within the space that that ALEC is soon to be in. So I
11 would say that that is likely to happen in the case of both
12 parties.

13 Q You mentioned in your summary converting virtual
14 collocation to physical collocation in place. And if I
15 understand in a virtual collocation you said BellSouth
16 essentially owns and maintains the equipment for the
17 collocator, is that right?

18 A That is correct.

19 Q And I believe you also said that is generally
20 located in a line-up with other BellSouth equipment, is that
21 right?

22 A That is correct.

23 Q And by a line-up you simply mean a physical row
24 of equipment racks in the central office?

25 A Yes, that is correct.

1 Q And you don't, BellSouth doesn't install that
2 virtually collocated equipment in a way that would create
3 any safety hazards, do you?

4 A No, definitely not.

5 Q And you put that equipment in a location that has
6 had adequate air conditioning, power, grounding, cable
7 racking?

8 A Well, the answer is yes, but let me also state
9 that if additional power, additional air is needed because
10 of a drain as a result of that equipment that would go in
11 the line-up, we would put that in place, as well.

12 Q Okay. But at least once the virtual equipment is
13 in place and up and running there is adequate air
14 conditioning, power, and so forth to operate that equipment?

15 A Yes, there is.

16 Q Okay. Now, you say in your testimony that
17 applications to convert virtual collocation to physical
18 collocation in place which -- let me ask this. Let me tell
19 you what I mean by physical collocation in place and get you
20 to agree with that definition before I proceed down these
21 questions. That essentially would be transferring the
22 ownership of the virtually collocated equipment back to the
23 collocator, leaving it in the place that it was originally
24 put as virtual equipment and permitting the collocator as
25 with other physical arrangements to have access to that

1 equipment on a 24-by-7 basis. Do you understand what I mean
2 then by conversion in place?

3 A Yes, I understand exactly what you are stating.

4 Q Okay. Now, you said in your testimony and also
5 in your summary that those have to be evaluated on a
6 case-by-case basis, and I believe you listed safety as one
7 consideration. If BellSouth has placed the equipment
8 originally in a safe manner, what safety consideration would
9 arise simply from changing it from a virtual to an in-place
10 cageless arrangement?

11 A If everything is left as is, then I would think
12 that there would not be any safety hazards. But just to
13 ensure, I simply agreed with your assumptions, but the real
14 world is if a customer is wanting to move from a virtual
15 arrangement to a physical arrangement, there is usually a
16 reason for that customer wanting to make such a move. And
17 that would usually be because they are planning to bring
18 additional equipment in, perhaps different services that
19 they are planning to offer. So from a typical standpoint it
20 is to make changes from what they currently have in a
21 virtual arrangement.

22 Q Okay. Well, let me follow up on that. If there
23 were to be a change in the virtual arrangement, either at
24 the time it was converted to physical or subsequently, if
25 there were to be subsequent equipment additions, those would

1 have to go through an additional application process under
2 BellSouth's procedures, is that correct?

3 A That is correct.

4 Q And if, for example, a collocator had --
5 equipment was located in a single bay in the line-up and
6 that bay was full, if they wanted to add equipment it would
7 obviously have to be added somewhere else in the CO, is that
8 right?

9 A Very likely, yes.

10 Q Okay. Would you also agree with me that one
11 reason a collocator might want to convert from virtual to
12 physical is so that the collocator can assume the
13 maintenance responsibility for the equipment because for
14 whatever reason it feels more confident doing that work
15 itself rather than relying on any third party?

16 A That could be a likely option, yes.

17 Q Okay. So let me go back to my question. When I
18 say conversion in place, I mean simply -- I don't mean
19 adding equipment or changing out equipment, I mean taking
20 the virtually collocated equipment that is there today,
21 changing the ownership and providing the CLEC access. In
22 that situation, if there was no safety problem with virtual
23 collocation, with it in a virtual collocation setting, would
24 you agree with me that there is going to be no safety
25 problem in a comparable cageless setting?

1 A And I believe my response indicated that it is
2 likely that that would be the case, that you would likely
3 not have any safety problems. But let me go on to say that
4 there could be safety problems depending on what other
5 changes we make in that set-up with that customer coming in
6 and wanting physical in place.

7 And by that BellSouth has to ensure that its own
8 customers and its network is safe. And we have to ensure
9 that any vendor coming in that may have access to our space
10 or may have access to our equipment is not going to do
11 anything to cause harm. So we would hope that there is
12 likely no problems, but there well could be problems
13 depending on whether it is a vendor that is capable of doing
14 the services and maintenance on the services that would be
15 moved to physical in place.

16 Q I guess I'm trying to understand, are you saying
17 that BellSouth then when it evaluates a conversion in place
18 looks at the collocator and says, "Well, Company A, you are
19 a reliable, reputable collocator, I'm going to agree to
20 allow you to convert in place. But, Company B, I'm not so
21 sure about you folks, so I'm going to make you move."

22 Is that what you are saying?

23 A No, I'm not. I'm simply telling you that there
24 could be safety problems that could happen if you simply
25 move a virtual to a physical.

1 Q And I guess I'm asking you to tell me what any
2 one of those safety problems could be, because I haven't
3 heard any specific problem yet.

4 A And I think I just mentioned whether or not it is
5 a seasoned service tech or anyone else that is coming in to
6 do what they need to do on that equipment. But as I also
7 mentioned, I don't believe that it is very likely, but that
8 could, in fact, happen.

9 Q So then you are saying that you are going to try
10 to judge the capability of the particular CLEC service
11 personnel to determine whether you are comfortable with them
12 working on equipment in that space?

13 A No. What I'm what telling you is that we are
14 going to take whatever steps we need to take to ensure that
15 our services are not harmed by a service being moved to a
16 physical arrangement that is left in place.

17 Q And what would those steps be?

18 A We will likely put a cage around the equipment
19 that is BellSouth's. That is an option. We have to ensure
20 that our services are taken care of and that no one is going
21 to come in and harm where our end use customers would be
22 harmed.

23 Q Let me ask you this. You participated in the
24 series of collocation waiver dockets that were filed in
25 early to mid-1999, is that correct?

1 A BellSouth did, yes.

2 Q BellSouth, yes. And my recollection is you filed
3 waivers in six central offices where BellSouth initially
4 took the position that space for physical collocation was
5 not available, is that right?

6 A I don't recall if that is the exact number, but
7 that may have well been the number.

8 Q Okay. And ultimately before those cases went to
9 hearing, BellSouth was able to find space in those central
10 offices to satisfy the then pending collocation requests and
11 you were able to withdraw your waiver petition, is that
12 right?

13 A I believe some of that took place. I'm not
14 certain as to all of the details.

15 Q All right. Are you aware that in several of
16 those central offices what BellSouth offered to the
17 collocators was cageless physical collocation in the
18 BellSouth line-ups?

19 A I'm aware of that.

20 Q And in those situations has BellSouth felt it
21 necessary to build any enclosures to protect its own
22 equipment?

23 A On a case-by-case basis, I do not know.

24 Q Do you know --

25 A I do not know if any cages were built.

1 Q If a collocator due to lack of space had been
2 forced initially to take virtual collocation, and I say lack
3 of space and prior to the FCC rules which required cageless
4 collocation, a collocator had taken virtual space, it is now
5 entitled to physical collocation either caged or cageless,
6 if that virtually collocated equipment is moved in order to
7 allow a physical arrangement, that equipment is going to
8 have to be disconnected for some period of time while it is
9 moved, is that right?

10 A That is correct.

11 Q And so in a move situation there would be at
12 least some loss of service to the customers served by that
13 physical collocation arrangement?

14 A There could be, unless some other arrangements
15 had been made wherein it may be spliced to another carrier
16 in a shared collocation arrangement.

17 Q So would you agree with me that one advantage, if
18 you are going to convert virtual to physical, one advantage
19 of doing the conversion in place is that it avoids any
20 possibility of an interruption of service to the customers
21 of that collocator?

22 A That is definitely a possible advantage, but as I
23 mentioned there are other alternatives available to that
24 ALEC customer. And clearly the fact that the customer is
25 wanting to move from a virtual to a physical arrangement,

1 you know, he has weighed the benefits of doing so, and so
2 the choice to move is clearly a choice that he is making at
3 that time to move.

4 Q And equally BellSouth is clearly required by the
5 FCC rules to offer cageless arrangements?

6 A Yes. I'm not arguing that we aren't. I'm simply
7 stating as with any business person, I'm certain they will
8 weigh whatever the costs are or the downsides. Because what
9 I found is that most customers simply do not up and move,
10 they move for very good reasons.

11 And usually they make some assessment as to when
12 that payback would actually happen given such a move from a
13 virtual to a physical based on new services or whatever else
14 they may choose to do in that physical arrangement.

15 Q And I guess, Mr. Hendrix, you're talking about a
16 different situation than I'm talking about. I'm talking
17 about a CLEC that is not changing its equipment, that is not
18 changing its services. It simply wants to have physical
19 access to its equipment so it can perform the maintenance.
20 And other than the ownership of the equipment and the access
21 for maintenance purposes there is no change in the services.
22 So if I have misled you as to what I have been asking about,
23 I apologize.

24 A No, I don't believe you have. The only reason
25 for going further is that I think what I'm trying to do is

1 give a real world view to ensure that all the facts are out
2 on the table and not a skewed view based on a very limited
3 unlikely happening.

4 Q There is an issue in this docket about what the
5 appropriate response and implementation intervals are when
6 an ALEC with an existing collocation space seeks to augment
7 or amend that space in some way. And I'm looking at your
8 testimony at -- your direct testimony at Page 10 where you
9 say that the implementation interval for a request for
10 changes to an ALEC's existing collocation space should not
11 exceed 60 calendar days under normal conditions. Do you see
12 that?

13 A Yes, I do.

14 Q And then you describe normal conditions in the
15 next sentence as conditions in which no material equipment
16 ordering is required, no HVAC or power upgrades or additions
17 are required, there is no additional floor space, racks or
18 bays.

19 In the normal situations -- in what you have
20 characterized there as a normal condition, it doesn't appear
21 to me that there is any physical work for BellSouth to
22 perform, is that correct?

23 A I would say that there is far less physical work
24 under normal, of course, than you would have under something
25 that isn't normal. So the physical work appears to be

1 limited.

2 Q Well, if there is no physical work to be
3 performed by BellSouth, why does it take 60 days to
4 provision?

5 A Because there are things that we would need to
6 do. There are things that we would need to evaluate to
7 ensure that no additional power, racking, grounding, or
8 anything else of that nature is actually needed. And that
9 is to ensure that we maintain the integrity of the network
10 and that we do not do something or agree to something that
11 will harm another ALEC customer or even our own network.

12 Q Well, staying on Page 10 and looking at that
13 answer, the first sentence in your answer at Line 11 through
14 14 says it takes you 30 days to respond to the request, and
15 I thought that was the 30 days that you used to determine
16 whether any work was required, whether there would be any
17 impact on other folks, and that the 60 days sort of starts
18 when that is finished.

19 And, again, let me ask you if BellSouth as you
20 have described normal conditions is not performing any
21 physical work, what does it take 60 days to provision?

22 A Well, the other thing that I did not mention in
23 the previous answer, and you are right to point to the 30
24 days, the other thing is that we have very limited forces.
25 We do not have unlimited forces to ensure that we are able

1 to work requests coming to us, you know, as quickly as
2 people think we actually do.

3 In fact, in Florida, you know, Florida is by far
4 one of the busiest states. So with limited forces to do
5 whatever work is actually needed, we do, in fact, need that
6 interval to ensure we meet the customer's due date. And if
7 we can beat that due date, we will make every effort to
8 ensure that we do.

9 Q Does BellSouth use its own forces to do these?
10 Well, take a step back, and maybe I'm beating a dead horse,
11 but in what you have described as a normal condition, if
12 BellSouth is not performing any physical work, isn't it true
13 your forces don't have anything to do?

14 A No, because you have to ensure that -- with these
15 changes you have to ensure although we go through the first
16 30 days to assess what the customer is actually asking, we
17 have to ensure that we have everything in line and that what
18 we gave the customer to be our interval for what is to be
19 done, we have to ensure that what we said was right. And it
20 is a time wherein we work with the customer to ensure that,
21 you know, within that 60 days everything is going to work
22 the way the customer is asking.

23 Now, there are some other things that are usually
24 done during that 60-day period. I believe, you know, it may
25 be tie cables or something that may not be massive physical

1 work, but there is some physical work. So I don't want to
2 leave you with the understanding that there is none. But
3 there isn't any physical work that would require us to make
4 all the changes that are addressed later on in that
5 paragraph that would make the time period much longer than
6 the 60 days.

7 Q Let me move for a minute to your testimony on
8 shared or subleased collocation space. If I understand your
9 testimony, BellSouth will take orders for interconnection
10 and for -- let me take a step back and start over. Let me
11 define a sharing or a subleasing situation. Give me just a
12 minute, I'm about to start this question wrong.

13 Let's focus on a physical caged collocation
14 sharing situation where ALEC Number 1 has ordered 100 square
15 feet of physical collocation space and desires to share that
16 or sublease it to ALEC Number 2. I believe in your
17 terminology you would call the first ALEC the host and the
18 second ALEC the guest, is that the terminology you use?

19 A Yes, it is.

20 Q All right. In that situation, if I understand
21 correctly, BellSouth will accept orders for interconnection
22 from either the host or the guest, is that right?

23 A Yes. But it is also for access to UNEs as well
24 as interconnection.

25 Q I was going to ask that next. You also accept

1 orders for access to UNEs from both the host and the guest?

2 A That is correct.

3 Q And you would bill the host or the guest as the
4 case may be directly for those interconnection or UNE
5 access?

6 A Yes, that is correct.

7 Q All right. And, in fact, you are specifically
8 required by the FCC's Advanced Services Order to do that, is
9 that right?

10 A Exactly.

11 Q Okay. Now, I understand from your testimony that
12 if the guest wants to place additional equipment in its
13 portion of the shared or subleased space, you will not take
14 the order for that equipment placement from the guest, is
15 that right?

16 A That is correct.

17 Q And I believe you cite in your rebuttal testimony
18 that doing that would be likely to cause administrative and
19 billing errors, is that one of your reasons?

20 A I believe that was one of the reasons cited, yes.

21 Q From an administrative point of view, if you are
22 capable of taking orders for access to UNEs and
23 interconnections and billing those correctly to the guest,
24 why is it that it would create an administrative problem to
25 take an order from the guest for an additional equipment

1 placement?

2 A And I think to draw a parallel that may make more
3 sense, let's say you are the owner of an apartment complex,
4 and there are two people in Apartment A. The owner of that
5 complex will get rent usually from the person that chose to
6 rent that unit. And it would be up to the two people in
7 Apartment A to come up with that rent on a monthly basis.
8 The situation is identical here.

9 The agreement between the guest and the host is
10 between those two parties and it is up to them to work out
11 -- I mean, that is their unit, that is their space. And it
12 is more efficient for us to deal with one wherein we do not
13 have the guest coming in and ordering something, you know,
14 wanting to put in a bay or whatever that is counter to what
15 the host is actually wanting.

16 But since we have the obligation to interconnect
17 and provide access to UNEs, we actually do that because that
18 is them interconnecting with our network. It is not us
19 mandating what the arrangements have to be within that space
20 for the guest and the host. And that is an agreement
21 between those two parties.

22 Q Mr. Hendrix, if administratively you can bill the
23 guest for interconnection and for access to UNEs, couldn't
24 you also bill the guest directly for any equipment placement
25 it ordered? That is not an insurmountable billing problem?

1 A I don't know what the billing problem is. I can
2 assure you of this, when we tried to do a similar thing with
3 an access service back in 1994, we had some real problems.
4 You know, you may have a guest that is going to skip town
5 but yet you have still got the space. We need one person
6 that we can go to that is the owner of that space. Now, if
7 they skip town and they no longer want to interconnect with
8 us then we have a process in place that is just like any
9 other carrier.

10 But when you have a space that you built for
11 those people to go in, we need just one party to handle that
12 space. One party to handle that building. Then if you want
13 access to what I offer outside of that building then you can
14 come to me and you can get access to those items. But in
15 that space it should be between the host and the guest.
16 It's just that simple. I do not know what the billing
17 problems are, but from a management business standpoint, it
18 just doesn't seem right.

19 Q So when you say in your rebuttal testimony that
20 to require you to deal with the guest would likely cause
21 administrative and billing errors, you don't know what
22 billing errors you're talking about?

23 A No, no. You asked me a different question. I
24 thought you asked me how much or what is the impact on
25 billing. The billing error would be, you know, who do I

1 bill for what. And is it in sync with what the guest and
2 the host have actually agreed to. So, yes, there are
3 billing problems. I thought you were asking relative to the
4 impact, as to how big of a problem. It could be a massive
5 problem, because we have massive CLECs wanting to come in
6 and situate themselves in our offices. And I think you will
7 see more and more CLECs wanting to enter into a guest/host
8 arrangement. So it could be a massive billing problem. As
9 to how much, I do not know.

10 But having gone down this road with the access
11 services, I know it could be a massive problem, it could be
12 some serious problems. And if you have people that are
13 skipping town that are not planning to stay in business for
14 any long period of time or any time period, then you could
15 have some other problems.

16 Q Let's talk for a minute about the use of ILEC
17 certified contractors. If I understand BellSouth's
18 position, it is the CLEC that wants to perform work within
19 -- and, again, let me for purposes of these questions talk
20 about physical caged collocation. If a CLEC wants -- for
21 the work the CLEC performs within its cage it has got to use
22 CLEC certified contractors, is that -- I'm sorry, ILEC
23 certified contractors, is that your position?

24 A Yes, it is.

25 Q Okay. And so it is also your position that for

1 work outside the cage, the ALEC cannot use a BellSouth
2 certified contractor, but BellSouth has to control that
3 process, is that correct?

4 A That is correct.

5 Q Does BellSouth for the -- for example, if there
6 are air conditioning upgrades or power upgrades, does
7 BellSouth perform that work itself or does it in turn use a
8 BellSouth certified contractor?

9 A I believe in most cases we use a certified
10 contractor.

11 Q And you would expect a BellSouth certified
12 contractor to perform the work in a manner that doesn't
13 create safety problems, that is compatible with your
14 maintaining a high quality network?

15 A Yes, we would.

16 Q What then is different if an ALEC wants to use
17 that same BellSouth certified contractor to perform exactly
18 the same work? Does that BellSouth certified contractor
19 suddenly become less capable of meeting BellSouth's
20 technical and safety requirements?

21 A No, I believe the difference is this. One, in
22 the CLEC space we require a BellSouth certified contractor
23 to ensure that things are done in such a way not to create
24 problems for the ALEC, or BellSouth, or any other
25 neighboring ALEC. And that is within that carrier space.

1 When it comes down to common area, which I
2 believe is the area you are speaking of that is outside of
3 that carrier space, BellSouth is the steward of that space.
4 BellSouth is the steward of that office. And BellSouth,
5 since it is a BellSouth office, wants to ensure that it is
6 able to designate who that contractor is.

7 We do not believe it is appropriate for any --
8 whether it is the contractor the CLECs wants or anyone else
9 to be able to go in and operate or do whatever they want to
10 do to put services in in that common area. That is our
11 space, that is our office, and we are going to ensure that
12 we do what is appropriate. It doesn't mean that the CLEC is
13 any less qualified, but it is somewhat of a slippery slope.
14 If you allow that to happen once you are simply going down a
15 slippery slope and you are going have less -- you are going
16 to be asked that contractors not be certified, or that
17 BellSouth not designate the contractor that would work in
18 those common areas.

19 And going back to the apartment unit complex,
20 within that apartment you may allow your friends -- in
21 Apartment A you may allow those renting that unit to put in
22 new carpet, to put new paint on the wall. But on the common
23 area, the ground areas and the building structure you have
24 the right to maintain that and do what you think is
25 appropriate. And that is the same thing that we are talking

1 about here. It doesn't mean that someone is more qualified
2 or less qualified, but we have that right.

3 Q Well, let me try to come back to my question one
4 more time. In your apartment analogy under your rules, I
5 can't hire my friends to put in the carpet, I've got to hire
6 a contractor that is on your landlord's-approved list even
7 within my own space, is that correct?

8 A And I would think the answer is yes, and I would
9 think that you would want to do that.

10 Q All right. And if you are telling me it is going
11 to take six months to recarpet the hallway, and I can go to
12 the same contractor who is on your approved list and
13 recarpet the hallway in a month, and you are going to charge
14 me for it whether I hire the contractor myself or whether I
15 have you do it, why shouldn't I be able to go to that same
16 contractor that you are going to use and have that done
17 myself? Is that contractor any less capable because he is
18 hired by me than because he was hired by you?

19 A I think you probably have missed the whole point
20 of what I have prefled, okay?

21 Q And maybe I have.

22 A And the whole point that I think is a critical
23 point is this, that contractor that may be hired by that
24 CLEC to work in those common areas have no idea as to what
25 other aps (phonetic) may have come in or what CLECs may be

1 asking for service in that office. When we go in and we
2 look at what CLECs are asking in our common area, we have to
3 view what is the universe and what are they asking.

4 You may be looking at one CLEC, but do we need to
5 do additional power upgrades, do we need to make other
6 changes that may have been mandated to that office to
7 accommodate all of the CLECs?

8 And what you are looking at is simply a single --
9 I shouldn't say CLEC. In most of the other states they are
10 CLECs, but what you are looking at is a single ALEC that is
11 wanting to come in and occupy space and he is not looking at
12 the total picture. And that's why BellSouth should be the
13 one doing work in the common area because we know what is
14 coming, we know what has already been filed, and we are the
15 ones that can best assess what actually needs to be done to
16 accommodate not only you, but the other CLECs.

17 Q With regard to BellSouth's certification of
18 contractors, do you actually train a contractor in order for
19 the contractor to become certified, or do you require them
20 to train to BellSouth's standard? What is the procedure for
21 BellSouth's certification of contractors?

22 A We have a very complex -- well, I shouldn't say
23 complex. A very thorough process that any certified --
24 anyone wanting to be certified would have to go through, and
25 they work with BellSouth people along with other people in

1 the industry. And I can't give you all of the details, but
2 we have a very formal process to make that happen. Perhaps
3 Mr. Milner could address that better, but there is a very
4 structured process.

5 Q All right. Let me turn for a minute, then, to
6 cost allocation. You say in your direct testimony that
7 BellSouth intends to file cost studies for security access
8 systems collocation space reports and some space preparation
9 rate elements. What is the status of that upcoming filing?

10 A They are working currently on it. In fact, I
11 believe I checked last Thursday, and I may have indicated a
12 note here as to when that is going to be ready. But I think
13 we were hopeful -- I can't give you the exact time, but I
14 believe that the costs will likely be available in a
15 two-month period. I may be wrong on that, but I believe
16 that was the time frame that I was given.

17 Q And is it your understanding that the rates for
18 those collocation-related items need to be TELRIC based?

19 A I haven't thought a whole lot about that, I just
20 wanted to get the costs. But subject to my attorney telling
21 me that I'm wrong, I would -- just on the cuff I would
22 probably say likely, yes.

23 Q And so you would expect that there would be some
24 Commission review of those costs, it wouldn't simply be a
25 tariff that you would file and it would sort of go into

1 effect without any review?

2 A If they have to be TELRIC based, I would say yes.

3 Q All right. You also state in your rebuttal
4 testimony that while it is appropriate -- well, let me not
5 mislead you, and I may have in my last question. You
6 actually say in your testimony that they would not be
7 tariffed, they would be standard rates and they would be
8 incorporated into interconnection agreements, but they would
9 not be tariffed, if I understood. And let me look at your
10 rebuttal. That is Pages 4 and 5 of your rebuttal.

11 And I guess looking at the top of Page 5 you say
12 the best approach is to develop standard rates for all
13 physical collocation elements within a standard collocation
14 arrangement, but it is not appropriate to require a tariff
15 to be filed.

16 What is the reason that you believe that a set of
17 standard -- a non-tariffed set of standard rates is the
18 appropriate way to approach collocation pricing?

19 A I personally think it's a waste of time. I mean,
20 we can go through and file a tariff, but I'm going to tell
21 you, having oversight of the contract group and having some
22 thousand contracts, customers could care less about the
23 tariff. From what I have found is that they would rather
24 come in and sit down one-on-one and work out the language.
25 I mean, a small word change here, a small word change there,

1 it means something to the customer.

2 And clearly we have an obligation per the Act to
3 negotiate contracts. So, you know, if we have to file a
4 tariff, we can file a tariff. But what customers are going
5 to do is come back and say I want a contract and I would
6 like this instead of this. I would like for it to be -- I
7 would like for you to change this word, you know, I would
8 like this section to precede this one. And those are the
9 types of things that we get into.

10 So I just think it is a waste of resources
11 wherein the resources could be spent talking with customers.
12 But if we have to file a tariff, we can file a tariff.
13 Because the CLEC customers or ALEC customers are not going
14 to use the tariff.

15 Q But in either event, whether they are tariffed or
16 not tariffed, you would agree that the rates are something
17 that ought to be reviewed by the Commission and ought to be
18 standard for the ALEC community?

19 A As a general rule, yes, unless the parties can
20 agree to something else, which we have that latitude to
21 agree to something different. And, of course, if we agree
22 to something different with one company, others would likely
23 opt into something if it is better or different.

24 Q What security arrangements does BellSouth use
25 today in central offices where there is no collocation?

1 A Keys. We do, in fact, give keys to those that
2 are going in and out of the offices and they are required to
3 log in.

4 Q Do you have any sort of security card system?

5 A In some places, yes.

6 Q All right. In places where you already have
7 security card systems, do you intend to charge CLECs or
8 ALECs who collocate in those offices a rate that is based on
9 the cost of installing a system? I read your testimony to
10 say that you do, that you would have a rate element for the
11 cost of installing a security -- a key card type system,
12 that you would essentially impose across-the-board on CLECs?

13 A And the answer is -- the answer is yes and no,
14 okay? First, the systems that may be in place, the costs
15 that we incurred and the rates or the charges assessed to
16 any ALEC, those costs are already gone, okay? We had to
17 recover those costs, and we actually did.

18 If we have to go in and modify or make changes,
19 then we are going to do what we think is fair for our ALEC
20 customers to ensure that we cover those costs or recover
21 those costs in the most appropriate manner. And if it
22 warrants charging them for new systems that are put in
23 place, the answer is yes, we will.

24 Q Okay. Let me focus on the other side. If you
25 are not installing a new system and not incurring any

1 incremental costs, you do not intend to charge then, is that
2 correct?

3 A We will evaluate it on a case-by-case basis. I'm
4 sorry, not on a case-by-case basis. We will evaluate what
5 is appropriate since it is not a volume sensitive type cost
6 we are looking to cover, and if, in fact, it is not
7 appropriate to recover from that ALEC customer then we will
8 not.

9 Q There is an issue in this case about what happens
10 if a CLEC requests a certain amount -- or an ALEC requests a
11 certain amount of collocation space and that amount of space
12 is not available, but something lesser is available. And I
13 think all the parties in the docket agree that the incumbent
14 LEC should notify the ALEC of the reduced amount of space
15 that is available. I think that is BellSouth's position,
16 isn't it?

17 A That is correct.

18 Q Okay. If the ALEC opts to take that smaller
19 space, does BellSouth intend to impose an additional
20 application fee of any sort, or amending the application, or
21 if you offer the ALEC less than he asked for, does that all
22 come in under the original application fee?

23 A The short answer to your question is that we will
24 charge them only for what he will use. I think, if I
25 understand your question, if he had ordered 500 square feet

1 and we have only got 300 square feet, but he wants that 300
2 square feet, whether or not we would charge him for that 200
3 even though he is not using it?

4 Q No, sir, that is not my question. My question is
5 when he asks for the 500 he has got to pay you an
6 application fee for the privilege of asking?

7 A That is correct.

8 Q You come back and you tell him, I don't have 500,
9 I have 300. And he says, okay, I want to take 300. Does he
10 have to pay another application fee for the privilege of
11 asking for 300, or was that all included in the first
12 application fee?

13 A That was included in the first.

14 Q Okay. Turn, if you would, to Page 23 of your --
15 and I'm about finished, Commissioners -- Page 23 of your
16 direct testimony at Page 18 (sic) where you are talking
17 about notification of space availability when space becomes
18 available in an office that had previously not had space.

19 And you say at Line 18, BellSouth will notify
20 ALECs a maximum of 60 days prior to the space availability
21 date. Do you mean a minimum of 60 days or do you mean a
22 maximum?

23 A Maximum.

24 Q So you might notify them only 15 days in advance?

25 A We will -- I think on a general basis we try to

1 meet the 60 days. And the reason we have had some ALEC
2 customers to ask us to notify them 90 days prior to, and we
3 do not have good accurate knowledge that that space will be
4 available usually 90 days out. So a maximum of 60 meaning
5 that we will not notify him any longer than that 60-day
6 period. In other words, it will not be 70, it will not be
7 80, it will not be 90.

8 Q So even if you knew 90 days in advance that the
9 space was going to be available, you wouldn't notify the
10 ALECs until you got down to the 60-day mark?

11 A That is correct. And the reason is we need to
12 ensure that when we give a customer an answer that we can
13 stand with that answer.

14 Q I recollect we had a similar sort of situation in
15 some of the arbitration dockets where the question was how
16 much notice did BellSouth have to give ALECs of upcoming
17 changes to retail services that the ALEC might be reselling,
18 and BellSouth said essentially the same thing. We don't
19 know until we know, and if we tell you when we just think we
20 know, then we are going to have some liability.

21 And the Commission resolved that, if I recollect,
22 by saying tell the ALECs as soon as you know, but you won't
23 bear any liability if you are off by 15 days, or if
24 circumstances change and something didn't follow through.
25 Would you accept that sort of an approach in this situation?

1 A We may. We would have to talk with the product
2 managers just to ensure that there aren't any things lurking
3 in the dark that we have not thought about. But that may be
4 a viable alternative.

5 Q Okay. And, finally, you talk about -- a little
6 bit about the first-come, first-serve rule when space has
7 not been available and becomes available. And you
8 essentially say, if I understand, that BellSouth maintains a
9 waiting list of applicants in the order in which they have
10 applied?

11 A That is correct, we do.

12 Q Specifically what action is it that gets
13 somebody's place on the waiting list? Is it the filing of
14 the initial collocation inquiry, is it the placement of a
15 firm order? Can you just be a little more precise about
16 what that trigger point is?

17 A Yes. It would be the placement of a firm order
18 that would get them on that list. The application, not
19 every -- I'm sorry. When you go back there are pretty much
20 two phases. You would have the application inquiry phase
21 and then you would have the second phase where you have a
22 bonafide order, a firm order coming in from the customers.
23 Not everyone that inquires, you know, will follow it
24 through. So it is when we have a firm order, a bonafide
25 order from a customer that would get them on that list.

1 Q If I file a request and you tell me there is no
2 space available, do I then have to file a firm order for
3 that space? I have to file a firm order for that space in
4 order to get on the list even though I'm ordering something
5 that is not available?

6 A I'm not certain that I answered your question
7 appropriately.

8 Q Okay.

9 A If we are going to take a break, I will be happy
10 to check that answer and get it back to you just to ensure I
11 give you the right answer.

12 Q Okay, fair enough. And, finally, once an ALEC is
13 on that waiting list, BellSouth doesn't require it to go
14 through any process to periodically sort of re-up its place
15 on the list, you are on the list until you are subsequently
16 offered space and turn it down?

17 A That is correct.

18 MR. MELSON: That was all I had. Thank you, Mr.
19 Hendrix.

20 COMMISSIONER DEASON: We will take a ten minute
21 recess at this time.

22 (Recess).

23 COMMISSIONER DEASON: Call the hearing to order.
24 Mr. Melson, did you have a follow-up question?

25 MR. MELSON: Yes, I was going to follow up.

1 BY MR. MELSON:

2 Q Mr. Hendrix, did you have a chance during the
3 break to check and determine at what point an ALEC gets on
4 the waiting list for collocation space?

5 A Yes, I did. And what we will do is put an ALEC
6 on the wait list. He can give us a letter of intent and it
7 is only for this process, to get them on the wait list. And
8 also the application could serve, so there are two vehicles
9 that would serve to get them on the wait list.

10 Q So files an application, is told there is not
11 space. He is automatically at that appoint on the wait list
12 without doing anything more. And if somebody else comes in
13 and knows there is no space, they don't have to file an
14 application, they simply file a letter of intent?

15 A That is correct.

16 MR. MELSON: All right. Thank you very much.

17 MR. HATCH: Good morning, Mr. Hendrix. My name
18 is Tracy Hatch. I will be asking you a couple of questions
19 on behalf of AT&T.

20 CROSS EXAMINATION

21 BY MR. HATCH:

22 Q Could we go back to a topic Mr. Melson covered
23 with you about the host/guest scenario. He asked you a few
24 questions, do you recall those?

25 A Yes, I do.

1 Q I'm not sure that I understood your answer to Mr.
2 Melson's question about what is the billing problem that you
3 identified in the host/guest relationship that leads you to
4 conclude that the host should be responsible for the guest
5 as compared to dealing directly with BellSouth?

6 A Okay. I believe the basis of my response was
7 that -- well, first, let me preface my comment with this,
8 and that is either party, either the guest or the host can
9 interconnect with BellSouth and get access to UNEs through
10 BellSouth, and that must not come through the host only.

11 As to the space and what happens within the
12 space, the collocation space that the ALECs have ordered is
13 between the host and the guest. And as such it is
14 BellSouth's policy that it would interface only with the
15 host to ensure that we have one party that is responsible
16 for activities that are going on in that space.

17 Having multiple parties creates some
18 administrative problems because you could get into a
19 situation where the guest is requiring or requesting to do
20 something without the knowledge of the host. And we would
21 rather not be in the middle, but would rather have the
22 parties address those issues and then have the host work
23 directly with BellSouth.

24 Q Couldn't a guest just as easily notify the host,
25 as the host is going to have to under your scenario notify

1 BellSouth? It doesn't seem to me there is a problem there
2 with just notifying parties, is there?

3 A I suppose you could have that, but the problem is
4 still there, you know, with not having a single party to
5 interface with BellSouth. And as I mentioned, you know, I
6 have some firsthand knowledge in this in another service, a
7 transport service where we had some shared arrangements.

8 And, you know, the parties may have two different
9 business goals in mind, and that is why it is important, you
10 know, when you are looking at a definite space or a given
11 space that you have a single party that will interface with
12 BellSouth.

13 Q Why is a guest in a space in any different
14 posture vis-a-vis BellSouth than a host for requesting
15 things from BellSouth?

16 A I don't know what the arrangements are totally
17 between the guest and the host in that arrangement. And as
18 I mentioned for requesting things from BellSouth, if it is
19 access to UNEs or interconnection, that is not a problem.
20 Because those are things that go on outside of the physical
21 arrangement. But when it is within the arrangement, it is
22 just our policy and it makes good business sense to only
23 have a single person that you are going to interface with.

24 Q Now you said that you don't know what is in the
25 agreement between the host and the guest. Isn't it true

1 that in your proposed physical collocation contract it
2 requires that any agreement between the host and the guest
3 be provided to BellSouth and that that agreement
4 substantially, essentially is identical between the host and
5 the guest as between the host and BellSouth?

6 A Yes, and that is there. What I was really
7 stating was something different. Not knowing outside of
8 what the terms are in the agreement, which as you mentioned
9 are to be identical, you know, I don't know what else is
10 going on between the host and guest or why they even chose
11 to be partners in that physical arrangement.

12 But the bottom line is this, is if you have a
13 physical space from our standpoint for things that go on
14 inside that space, it is a whole lot easier and it keeps
15 down a whole lot of other problems that could surface if we
16 have a single party to deal with. Outside of what we are
17 obligated to do, which is for UNEs and to interconnect, but
18 those things take place outside of that physical
19 arrangement.

20 Q So, notwithstanding that the agreement between
21 the host and the guest and BellSouth and the host are the
22 same, they can't be substantially different, then I'm
23 confused.

24 What is the difference in the standing of the two
25 if the agreements have to be the same and BellSouth has a

1 copy and they know what all the agreements are? Are you
2 suggesting there is some secret proprietary agreement that
3 you don't know about?

4 A I don't know what may have taken place between a
5 host and a guest. But the bottom line of what I'm stating
6 is that we would like to have a single party that we can go
7 to that is going to be the party we can go to ensure that
8 the bills are paid, to ensure that, you know, when something
9 is needed or changes are needed for that space, that is a
10 single party and not both parties, since that is, in
11 essence, the ALEC's space, in this case a guest and a host's
12 space.

13 Q You will have multiple collocators in a central
14 office, is that correct?

15 A Yes, we do.

16 Q And so you are having multiple parties to deal
17 with every day in a central office, is that correct?

18 A Yes, we do. But that is quite different from
19 having multiple parties in a single physical space than
20 having to address any issues that may come up from both
21 parties in that space. It is a lot simpler to deal with a
22 single party. And I used the apartment example earlier, you
23 know, which is a real life, a realtime example. It simply
24 makes sense to have one party that you can go and get your
25 rent from. It makes it a whole lot easier.

1 And with all of the other things that we are
2 trying to do, and trying to be efficient, trying to ensure
3 that we provide the space as soon as we can, one more thing
4 is not going to help, it would likely harm it.

5 Q So while it is administratively easier for Bell
6 to deal with fewer parties, would it be correct to say that
7 in effect what you have done is shifted the risk of one
8 collocator to a fellow collocator away from BellSouth?

9 A BellSouth has not done that. I think the parties
10 when they entered into an agreement to share that space
11 chose to take on that obligation. It is not something that
12 BellSouth has actually done. I'm wanting to ensure that
13 when I render a service or when I give service that I have a
14 single party that I can go to to ensure that the things that
15 we need to have taken care of, which is in the best interest
16 of all the parties here, and in the best interests of our
17 customers, that we have a single party to go to to make it
18 more efficient.

19 Q And nothing in this agreement precludes that by
20 going from BellSouth directly to the guest, does that?

21 A I'm not certain I understand your question.

22 Q Well, if the agreement between the host and the
23 guest is the same as the guest and BellSouth, then they
24 stand the same in terms of the obligations and rights and
25 responsibilities vis-a-vis collocation in a BellSouth

1 central office, is that correct?

2 A The terms are the same as BellSouth would have
3 with the host, and the guest and the host agree to some of
4 the identical terms likely, is that your question?

5 Q In a sense, yes. That's part of it.

6 A Yes.

7 Q If that is true, then there is no difference from
8 a technical -- or other than an administrative convenience
9 of dealing with one person versus two, there is no technical
10 limitations that make this any different than any other
11 collocator in your central office, is that correct?

12 A I would agree from a technical standpoint you are
13 likely not to have many problems, if any. From an admin
14 standpoint, I think there are some problems that could be
15 created in having to deal with both parties. And what we
16 are stating is, you know, for the ease of getting this done
17 and what we believe to be in the best interest is to have a
18 spokesperson. You do not need two spokespeople or two
19 spokespersons for a given space.

20 The other thing that I think may have been lost
21 sight -- that we may have lost sight of is the 706 order,
22 you know, is the impetus, part of the impetus behind that
23 order is to allow ALECs to get whatever space they needed or
24 as little -- as much or as little space as they needed
25 provided we had that space.

1 Now, a carrier may choose to go into a shared
2 arrangement, but they can also come in and get far less
3 space, you know, wherein they can do whatever it is they
4 have to do. This is an arrangement that they enter into, no
5 one is forcing them to enter into that arrangement. And all
6 we are saying is that when you enter into such an
7 arrangement, we want only one person to deal with. We want
8 only one person to come and get our rent from.

9 Q And in that process what you have done in making
10 the guest -- I mean, the host, as it were, a landlord to
11 deal with as your intermediary to the guest is that you have
12 incurred or caused to be incurred upon the host additional
13 expense for the time and trouble of acting as your
14 intermediary to the guest, is that correct?

15 A No, I do not agree with that, because it is a
16 choice they make as to whether they enter into such an
17 arrangement. That is their choice.

18 Q Let's talk about one other thing. In your
19 testimony I believe that you maintain that in order to
20 cross-connect between two ALECs that you would have to file
21 an application for that, is that correct?

22 A That is correct. Could you refer me to the
23 exact place that you're referring to?

24 Q I believe the one that I'm actually thinking was
25 Page 12 of your rebuttal?

1 A I believe that is correct, yes.

2 Q And so what you say there is that you have to
3 make an assessment of the engineering and planning necessary
4 for the installation to cross-connect, is that correct? It
5 is Page 12, Lines 12 through 14.

6 A I believe that is correct. I'm trying to get
7 there, I'm having some technical problems.

8 Q Believe me I understand.

9 A Yes, I do.

10 Q Now, when you file an application fee, I believe
11 earlier in your direct testimony you mentioned that there
12 are several different areas that that application fee covers
13 in terms of recovery of the expense that BellSouth incurs in
14 reviewing the application, correct?

15 A Yes, I did. And I -- yes, I did.

16 Q Now, of all the things that that application
17 review entails, for example, power, air conditioning, HVAC,
18 that sort of stuff, when somebody applies to do a
19 cross-connect, none of those reviews would be necessary,
20 would they?

21 A No, I wouldn't totally -- I would agree in a
22 contiguous arrangement that it is likely not to be the case.
23 But if, in fact, that is not the arrangement that you have
24 to go from one CLEC to the other, you will not likely have
25 power, but you could likely have other impacts that would be

1 outside of the physical space when it is a noncontiguous
2 arrangement that you are dealing with.

3 Q Other than an assessment to determine appropriate
4 racking for the cable for the cross-connect, would it be
5 fair to say that there would be no other assessments in
6 terms of power, HVAC, space preparation, any of those
7 functions would be entailed in simply cross-connecting two
8 ALECs in noncontiguous collocation space? The space is
9 already there, all you are doing is running a wire from one
10 to the other.

11 A I would say racking would be a key. You could,
12 in fact, have grounding to become another element. A lot of
13 it is dependent upon the arrangement or how far you would
14 have to go to make that happen. So, I would agree as a
15 general rule that you would not impact power or HVAC.

16 Q But you still intend to charge the full
17 application fee, is that correct?

18 A Yes. But let me also say that we actually
19 negotiate, we try to negotiate with the customer once we
20 have a better understanding of exactly what the customer is
21 asking, the impacts on the various offices. And if, in
22 fact, no work is warranted, then if the customer gives us
23 the application fee, we do, in fact, send it back to them.

24 Q So in the event that somebody in a noncontiguous
25 cross-connect wanted to cross-connect, and you determined

1 that there would be no additional work on your part, you
2 would refund their application fee?

3 A If there is no work done, exactly.

4 Q Would you prorate the application fee based on a
5 little bit of work being done?

6 A Yes, we would.

7 MR. HATCH: That is all I've got. Thank you.

8 MR. GOODPASTOR: Mr. Hendrix, good morning.

9 THE WITNESS: Good morning.

10 MR. GOODPASTOR: Chris Goodpastor for Covad.

11 I've just got a few follow-up questions. Hopefully it
12 will go pretty quickly here.

13 CROSS EXAMINATION

14 BY MR. GOODPASTOR:

15 Q In a situation where you have previously had a CO
16 that was listed as a no-space facility, but BellSouth finds
17 new available space for collocation, and you have a list,
18 say, of five or ten ALECs who are on a list to get that
19 space, it is BellSouth's procedure to offer the available
20 space to the first ALEC on the list, is that correct?

21 A That is correct.

22 Q And does BellSouth have a certain amount of time
23 that it requires that first ALEC on the list to respond to
24 that offer of space?

25 A Yes, we do. Without looking in the guidelines, I

1 think it is around 60 days. I may be off without looking,
2 but we do have a definite time that they are to respond.

3 Q Now, you are not sure if it is 60 days or is it
4 around that time?

5 A Around that time. It's either 30 or 60, I can't
6 remember. I could probably find it here. But there is a
7 definite time, to answer your question.

8 Q Okay. Maybe when we take a break you could
9 locate the definite time.

10 And if the ALEC does not respond within that time
11 period, does the space automatically go to the next ALEC on
12 the list?

13 A We will offer it to the next ALEC on the list,
14 yes.

15 Q Now, does BellSouth agree that perhaps 30 or 60
16 calendar or business days is a little bit more time than
17 necessary for an ALEC to make a decision of whether it wants
18 the space that is available?

19 A Our ALEC customers are in different situations.
20 Perhaps us noticing them that space is available may come
21 sooner than they had thought they would get an answer, so I
22 think it is adequate time. I do not know that I would agree
23 that it is more than, because each ALEC is different.

24 Q Would you agree then if Covad proposed modifying
25 that period of time to, say, 14 calendar days, would

1 BellSouth agree to that?

2 A If we are ordered to do that then we will
3 implement what is ordered.

4 Q Now, I want to talk to you about situations in
5 which only a portion of the space requested by an ALEC is
6 available in the central office. In that situation,
7 BellSouth would, in fact, be denying at least some of the
8 requested space that an ALEC requested, is that correct?

9 A Well, you used the word denying, it's hard to
10 deny something when it is -- I mean, we just don't have it.
11 We are going to give you the space that we actually have.
12 So it will not satisfy what he has asked for, but we will
13 make available to him -- or the ALEC, because it could be a
14 her, I suppose. We will make available to the ALEC whatever
15 space is there. Give them the option to say yes or no.

16 Q So to put it in real world terms, if Covad
17 requested 400 square feet and you only had 300, then
18 essentially you would be denying the request for that extra
19 100 square feet?

20 A We would tell you we do not have an extra 100
21 square feet.

22 Q Now, you mentioned in response to Mr. Melson's
23 questions that a new application in that instance would not
24 be required from the ALEC, is that correct?

25 A That is correct.

1 Q And I'm also assuming that a new application
2 interval would not apply in that situation, is that correct?

3 A Would you lay the groundwork for me so I can just
4 walk through piece-by-piece to ensure that we understand and
5 that we are on the same basis.

6 Q Let's say on January 1st, Covad submits an
7 application for 400 square feet in a BellSouth central
8 office. And on March 1st, BellSouth responds and says only
9 300 square feet are available. Will BellSouth allow Covad
10 to place a firm order at that time for the 300 feet, or will
11 Covad have to wait another application interval before it
12 can place its firm order?

13 A If Covad is wanting the 300 square feet, you can
14 place the firm order for the 300 square feet if that is what
15 you want.

16 Q So if there is a situation in which only part of
17 the requested space is available, then a new application
18 interval will not be required?

19 A That is correct. And that is assuming that you
20 are wanting to move forward to just occupy the space that is
21 available.

22 Q Now, would you agree with me that BellSouth is
23 still obligated to provide a tour of the central office in
24 that situation?

25 A Yes. And I believe there is a definite time

1 frame of ten days from the time that you receive that letter
2 stating that there is no space.

3 Q Now, you have attached to your direct testimony
4 an exhibit which is a proposed physical collocation
5 agreement, is that correct?

6 A Yes. And I believe it is shown as the standard
7 that we use as a result of customers asking us to create a
8 standard as the starting point to negotiate the agreement.

9 Q And the prices listed in the agreement, what is
10 the source of those?

11 A The prices listed would have been as a result of
12 various dockets or orders that may have been issued. Or
13 studies that we have underway that will be interim prices.

14 Q Now, have all the prices listed in this index
15 been approved by a particular commission, in this case the
16 Florida Commission?

17 A I would say no, this is our standard across the
18 region.

19 Q So these are prices, basically costs proposed by
20 BellSouth?

21 A That is correct. For the most part, that is
22 correct.

23 Q And these are based on cost studies that
24 BellSouth has done, is that correct?

25 A Largely, yes.

1 Q And in those cost studies, part of I imagine what
2 goes into them is a calculation about how much time is
3 required by BellSouth or BellSouth contractors to perform a
4 particular task, is that correct?

5 A That is one of the inputs, yes.

6 Q And that probably falls under a labor input, is
7 that correct? Just basically the cost of labor to provision
8 the particular items on the cost sheet?

9 A That would be a key input. I wouldn't agree that
10 that is all labor, but that would definitely be a key input.

11 Q And that labor calculation is based upon the
12 certain amount of time it would take, I guess, a reasonable
13 contractor to perform that task, is that correct?

14 A It would include time as well as the hourly rate
15 or some other measure of the compensation that would be due
16 the certified contractor.

17 Q Now, when it comes to the actual physical
18 provisioning of the collocation space for an ALEC, is that
19 done by BellSouth contractors or is that done by BellSouth,
20 actual BellSouth employees?

21 A It is done by a certified contractor.

22 Q So that is someone outside of BellSouth that
23 BellSouth hires?

24 A That is correct.

25 Q Now, in the situation of processing an

1 application, that is done by BellSouth employees?

2 A That is correct.

3 Q And I'm assuming in your application fee that
4 there is also a labor component that is intended to
5 compensate BellSouth for the amount of time it takes to
6 process that application, is that correct?

7 A That is an input, that is correct.

8 Q And that is similar to the contractor labor
9 input, it's is sort of the amount of time -- a reasonable
10 amount of time, sort of manhours basis that is required per
11 application? I believe the price is --

12 A To answer to your question, yes, as in any rate
13 where you have humans, you know, that are being compensated
14 to do this work, you would factor in their time and whatever
15 the weight scales are that would be appropriate for those
16 people that would have to do certain tasks.

17 Q And I'm assuming because BellSouth proposed these
18 rates then BellSouth agrees that these are the amounts of
19 money, that you wouldn't agree that more money is required
20 to compensate BellSouth for its time in this case?

21 A We will ensure that we cover our costs.

22 Q Okay. So when you -- you discussed in response
23 to Mr. Melson's questions that sometimes you have limited
24 resources and that is the reason that you can't provision
25 the space in a certain amount of time, is that correct?

1 A Well, what I was -- yes, but what I was actually
2 stating is this, is while we may have many other
3 applications, it is not us, you know, refusing to give the
4 service or turn over the service as quickly as we can, we
5 will actually do that. The other thing is that you can only
6 have so many people working on a certain project. So it is
7 just the way we do business. We put as many people as we
8 can put on handling collocation and other parts that will
9 impact our collocation effort, but it still takes time to
10 get all of those things done.

11 Q Okay. But in the case of provisioning
12 collocation space, that is done by outside contractors, that
13 is correct, right?

14 A Your physical space is by a certified contractor
15 that will come in and work in that space.

16 Q So provided that BellSouth is adequately
17 compensated for that work, it can easily go out and hire
18 more contractors, can't it?

19 A I'm not aware of anything that will prevent us
20 from going out and having other contractors come in. But
21 I'm not certain that that is the problem, either, in that
22 you can only have so many people, you know, working in
23 certain areas or working on certain requests for customers.
24 And for the most part, most ALECs tend to want to go to the
25 same offices. And so you have, you know, very -- in many

1 cases limited space that you would be able to work in.

2 So throwing more contractors already into an
3 office that is crowded with limited space, you know, I'm not
4 certain that you accomplish a lot.

5 Q But if the limiting factor in provisioning
6 collocation space were the lack of manpower, there is no
7 reason that BellSouth couldn't simply hire more contractors
8 because it is being compensated for all the costs associated
9 with collocation, isn't that correct?

10 A If, in fact, that is the limiting factor, and I
11 did not agree that that was the limiting factor. But if, in
12 fact, that is the case, then you could, in fact, put other
13 resources or hire other resources to make that happen.

14 Q Does BellSouth have a particular limit on the
15 number of actual contractors that it allows into a central
16 office in a particular time?

17 A I'm not aware of any limit. But I would say that
18 it is our goal to ensure that whatever work is done is done
19 safely and that we do not create problems by having chaos in
20 the office that could impact not only the ALECs, the other
21 ALECs that are in those offices, but also our customers.

22 Q Now, on Page 6 of your direct testimony, you
23 propose different intervals for responding to different
24 numbers of applications. Do you see where I'm referring to?

25 A Yes, I do.

1 Q Now, when you say -- for example, on Line 13 and
2 14, you say BellSouth will respond within 20 business days
3 for one to five applications. That is one to five
4 applications per ALEC per state, is that correct?

5 A That is correct, within that window. And I
6 believe there is a window that is mentioned, a 15-day window
7 mentioned at Page -- I'm sorry, mentioned at Line 12.

8 COMMISSIONER JACOBS: I had the impression that
9 was per central office, not per CLEC.

10 THE WITNESS: I'm sorry, was his question per
11 state or --

12 COMMISSIONER JACOBS: I thought he said per state
13 per CLEC.

14 BY MR. GOODPASTOR:

15 Q Is it per ALEC per state? That is, AT&T'S
16 application in a particular central office should not delay
17 Covad's application processing, is that your understanding?

18 A That is correct. It wouldn't be per central
19 office. Usually an ALEC would come in and ask for an
20 arrangement in a given CO, so they would have multiple
21 applications. So it is on a CLEC basis, that is correct.

22 Q Now, when multiple applications are submitted
23 within a 15 business day window, let's take, for example,
24 let's say we submit six applications within a 15 business
25 day window. The first five applications are processed in 20

1 business days, is that correct?

2 A That is correct.

3 Q And then the sixth one would be processed in 26
4 business days, is that correct?

5 A That is the target. Our goal is to get them done
6 as soon as we can. And we will make every effort to try to
7 get them done within the same time that you have the first
8 five, but that is our target.

9 Q Well, the application fee on all of those
10 applications, though, is the same, isn't that correct?

11 A Yes, they are.

12 Q So we don't get a reduction, or an ALEC doesn't
13 get a reduction in fee when BellSouth takes more time to
14 process the application?

15 A No, you do not.

16 Q Now, on Page 15 of your direct testimony you
17 discuss the price estimate that BellSouth prepares during
18 the Tier 1 portion of its application process. Do you see
19 where I'm referring to, Page 15?

20 A Yes, I do. I believe you started -- well, the
21 question starts at Line 2 that talks about the price quote,
22 is that what you are referencing? And then I go at Line 9
23 to provide what is in the estimate.

24 Q Correct.

25 A Okay. Yes, I do.

1 Q Now, when BellSouth provides an estimate, that is
2 not a binding estimate in that the ALEC who receives that
3 estimate can't enforce that particular estimate against
4 BellSouth, is that correct?

5 A That is correct.

6 Q And, in fact, that estimate is trued-up to actual
7 costs when the space is actually complete?

8 A Exactly right. Because as we have found in some
9 cases, once you get into doing the work, there may be things
10 that you did not think of or things that were not very
11 obvious that would need to be done. But the fact is, as you
12 mentioned, we do, in fact, true that up and we are more than
13 willing to share invoices with the customers showing what
14 those trued-up values are.

15 Q Well, wouldn't we achieve the same result if we
16 imposed a flat-rate for certain collocation space per bay
17 that was trued-up thereby avoiding the amount of time that
18 it requires BellSouth to prepare this cost estimate, since
19 it is somewhat meaningless anyway?

20 A I would not agree, first, that it is of little
21 use or that there is little meaning to it. There is a lot
22 of meaning to it. But to answer your question, yes, and
23 that is an effort that we are working on.

24 We have met with various ALEC customers,
25 including Covad, and we are working through pushing this

1 through very hard because it will perhaps save some time.
2 And then once you have this flat-rate approach as opposed to
3 the ICB approach for many of the items, you still have to
4 work the log that you have. So down the road we do think
5 there will be some time savings to benefit not only
6 BellSouth, but also the ALEC customers.

7 Q So just to make sure I understand, BellSouth
8 would not oppose a flat-rate procedure in which an agreed
9 price is paid by an ALEC and BellSouth immediately
10 provisions, begins provisioning the space and then costs are
11 trued-up at the end?

12 A Well, if you have a flat-rate you would have to
13 have some assumptions that you would base that flat-rate on.
14 And so I do not know that you would need to have a true-up
15 at the end if, in fact, the assumptions are appropriate.

16 So we are not opposed to a flat-rate approach,
17 and we do believe that will give us some time savings at the
18 front end.

19 COMMISSIONER DEASON: Mr. Hendrix, you alluded to
20 an approach you called ICB.

21 THE WITNESS: Yes, sir.

22 COMMISSIONER DEASON: Could you explain that,
23 please.

24 THE WITNESS: Yes, sir. Individual case basis,
25 where you go in and you evaluate each application from each

1 customer based on that office. And what we are doing is
2 working -- rather than doing it on an individual customer
3 basis, we have gotten data where we have looked at
4 everything that has been requested by customers and we have
5 come up with averages. That would be the flat-rate
6 approach.

7 COMMISSIONER DEASON: But if you do an estimate
8 -- is doing an estimate the same as ICB, or is that two
9 different things?

10 THE WITNESS: Doing an estimate is very similar,
11 it's just that the ICB that the customer would actually end
12 up paying is a trued-up estimate. So, they are pretty much
13 the same. And we are hopeful of getting past the ICB issue
14 now that we have a lot of data that we are able to use as to
15 what customers are actually asking for. And that's what we
16 are hopeful of rolling out soon.

17 COMMISSIONER DEASON: Thank you.

18 BY MR. GOODPASTOR:

19 Q Now, Mr. Hendrix, in your direct testimony you
20 describe, I think, what you call normal conditions in a CO,
21 and you say those include situations in which none of the
22 following exist. And in that list you include HVAC, or
23 power upgrade, or additions, is that consistent with your
24 understanding? I'm referring to Page 10.

25 A Thank you, I was looking for the page. Yes.

1 Now, I think it was Mr. Melson had asked the question
2 earlier, and I do, in fact, mention that HVAC, or power
3 upgrades, or floor space, and so forth, those are items that
4 you had mentioned.

5 But what is meant by normal is that there are
6 certain things, certain work activities that you must still
7 do. For instance, you will not go out and replace a total
8 power system. That's not what I meant by upgrade here. It
9 may be feeder, adding in a feeder. It may mean putting in a
10 vent, in a HVAC, a vent. So those are things that are
11 normal that -- the physical work that would be done during
12 that 60-day period.

13 Q So in most conditions basically what you are
14 saying in the CO is HVAC, and I'm going to ask you to define
15 that in a second, and power upgrades are not required?

16 A Those are the things that would not be done,
17 those are things that we would not view as being normal that
18 would be done during that 60-day period.

19 Q Okay. Could you define for everyone what HVAC
20 means?

21 A Certainly. It is heating, ventilation, air
22 conditioning.

23 Q Now, on Page 14 of your testimony you discuss the
24 controlling factors and the overall provisioning of --

25 A Yes, I do.

1 Q And BellSouth contends that it is not the
2 construction of the cage that is a controlling factor, but
3 it is actually space conditioning, upgrade of heating,
4 ventilation, and air conditioning, or adding to or upgrading
5 the power plant capacity?

6 A Exactly.

7 Q But under normal conditions, if normal conditions
8 exist, those activities will not be required, isn't that
9 correct?

10 A Not for the changes. I believe at Page 10 that
11 you reference -- was it 10 that we were talking earlier?
12 What this is talking about, you have a physical space and
13 you are wanting to go in and make changes to a physical
14 arrangement that is already in place. And that is how we
15 use normal and things that aren't normal. And I forgot the
16 last part of your question.

17 Q Well, I can -- let's just make it easier. In
18 most situations in a CO, in most situations in a CO for each
19 application by an ALEC there is not going to an upgrade to
20 HVAC, or an upgrade to power capacity, power plant capacity
21 necessary, isn't that correct?

22 A No, I will not agree with that. In most cases, I
23 would agree that it is just the opposite. And I may be
24 wrong, and Mr. Milner could probably make it more clear, but
25 in most cases where you put in extra equipment or whatever

1 else, you have a problem with heat. And you have to ensure
2 that you have adequate cooling to ensure that we maintain
3 the temp that is to be in that office.

4 Also, you have to look at power drain. You know,
5 what is the impact on power with them bringing in this new
6 space. So I will not agree that in most cases you would
7 not. I think in most cases you likely would. But Mr.
8 Milner may be able to better speak to that.

9 Q So you are contending with every collocation
10 application BellSouth has to conduct a power plant capacity
11 and power distribution upgrade and an upgrade of its
12 ventilation systems?

13 A No, I'm not saying with every, I'm saying that
14 there are likely changes that will have to be made in those
15 systems to accommodate the new space and to accommodate what
16 the ALEC customer is putting into those spaces, such as
17 heating, such as the grounding, and it may be power. So
18 there are changes. And I would not put what I state here,
19 we are talking apples and oranges as when you lay this down
20 with the reference as to what is normal when there is simply
21 a change in the space that is existing.

22 Q Well, let me put it this way, then. If we have a
23 situation in which power capacity, plant upgrades, and
24 upgrades to HVAC are not necessary, then you would agree
25 with me that the provisioning interval for cageless

1 collocation should be shorter than what you have described
2 in your testimony, isn't that correct?

3 A No, I would not agree. Because I'm not certain
4 as to what else may be needed. And that is the reason that
5 we do the surveys up front. It may take a shorter period.
6 And if so, then we will turnover the space in a shorter
7 period. But I'm not certain that I could sit here and agree
8 that that is the case.

9 Q Well, you have listed heating, ventilation, and
10 air conditioning system, and upgrades to power plant
11 capacity and power distribution mechanisms as controlling
12 factors in the provisioning of collocation space, haven't
13 you?

14 A Yes, I do.

15 Q And if those factors are not present, then
16 logically the provisioning interval must decrease, isn't
17 that correct?

18 A I would say on the surface it appears that the
19 intervals would, in fact, be shorter. But I'm not certain
20 as to what else may be done, because each case and each
21 request from the customer is different. There aren't any
22 standard requests or standard office space that they are
23 seeking to put their services in. So you would have to look
24 at it on a case-by-case basis. But these are the factors
25 that will impact the interval more than anything else.

1 Q Now, we were discussing pricing earlier, and in
2 that discussion you mentioned that BellSouth would agree to
3 give ALECs all access to all cost information regarding
4 collocation, is that still your contention?

5 A I don't believe I said that.

6 Q Okay. Let me ask you this, then. Would
7 BellSouth give ALECs access to actual invoices and other
8 cost information that may be relevant to the cost charged
9 for collocation?

10 A I think what I said was that we were more than
11 happy to share the invoices on the true-up process once we
12 have an actual price with the ALEC. When you talk about
13 costs, you're talking something totally different. And with
14 most customers we have interconnection agreements that will
15 govern as to how the parties would actually act relative to
16 given data that may be viewed as being sensitive data.

17 Q But will BellSouth agree to disclose all of that
18 data that may be relevant to a requesting ALEC?

19 A BellSouth is agreeable to sharing the invoices,
20 but we will have to look at the contract if you are looking
21 at other cost data.

22 Q Well, wouldn't you agree that an ALEC needs
23 access to cost data, all cost data if it is going to
24 evaluate the reasonableness of the costs that BellSouth is
25 proposing?

1 A I think we are talking apples and oranges. What
2 I'm talking about, if I give you a cost estimate up front,
3 and I ask you to send to me 50 or half of what that cost
4 estimate is, when I true-up those rates, I will share with
5 you the invoices, yes, to justify the trued-up value.

6 When you talk about all cost data, you know, all
7 cost data could be much broader than anything dealing with
8 the trued-up value. So I'm saying the agreement will
9 usually have language that would obligate the parties under
10 what terms they will share those cost data, share that cost
11 data when it is other than the ICB true-up process that you
12 would go through.

13 Q I'm not talking about an existing agreement, I'm
14 just talking about what BellSouth is willing to do. Is
15 BellSouth willing to make available all of its cost data
16 regarding collocation costs to a requesting ALEC?

17 A My answer does not change from what I just gave
18 you. I don't know if that was clear or if you would like
19 for me to make it more clear. It is relative to the true-up
20 of the rates wherein we have in the agreement those rates
21 are subject to true-up. I will share with every ALEC
22 relevant charges that are being made to that ALEC in the
23 invoices.

24 Q Okay. That's not the question I asked.

25 A I understand that.

1 Q Okay. The question I asked is BellSouth willing,
2 and I'm not talking about any existing contracts, because we
3 are determining guidelines for collocations here which
4 presumably will be incorporated into contracts, so I'm
5 talking about is BellSouth willing to disclose all relevant
6 cost information regarding collocation to a requesting ALEC?

7 A Let me say first that is not an issue in this
8 docket, but BellSouth is willing on any trued-up rates
9 wherein we have assessed a rate to a CLEC customer to give
10 the CLEC the invoices that will justify those values. When
11 you say any and all costs, it is going beyond the scope of
12 issues that are in this docket, I think, and I may be wrong.

13 Q Well, I think you are, sir, and I'm going to ask
14 that the witness be instructed to answer the question as
15 asked.

16 MR. CARVER: I'm going to object at this point.
17 The question has been asked three or four times, and the
18 witness has answered it three or four times.

19 COMMISSIONER DEASON: Objection sustained. You
20 have asked the question, the witness has answered it. You
21 may not get the answer you would like, but I think the
22 question you asked has been answered at least three times.

23 BY MR. GOODPASTOR:

24 Q Well, can I assume, then, Mr. Hendrix, that if an
25 ALEC requested anything other than invoices that related to

1 a true-up, BellSouth would not provide such things as cost
2 studies and other relevant information?

3 MR. CARVER: Same information. He has just
4 rephrased the question, but it is exactly the same item.

5 COMMISSIONER DEASON: I am going to allow the
6 question for clarification.

7 THE WITNESS: BellSouth will operate based on the
8 interconnection and collocation agreements we have with each
9 of the ALEC customers. And there are terms in that
10 agreement that will spell out exactly what we will or will
11 not do that was agreed to by both parties.

12 BY MR. GOODPASTOR:

13 Q And according to your knowledge, do any of those
14 terms in any of those interconnection agreements allow an
15 ALEC access to all relevant cost information regarding the
16 collocation rates that BellSouth is proposing?

17 A The terms are different from agreement to
18 agreement. And usually there is other forms or other
19 agreements that the parties would enter into before those
20 costs, all costs would be shared. So it varies from
21 customer to customer based on what the parties agree to.

22 Q Are you aware of any agreement that would allow
23 all relevant cost information to be disclosed?

24 A Pursuant to the terms of the agreement, yes.

25 Q If an agreement doesn't allow disclosure of all

1 relevant cost information, how do you propose that an ALEC
2 determine whether BellSouth's proposed costs are reasonable?

3 A I think for the most part every state -- or every
4 state will, in fact, have cost dockets. And as a result of
5 the outcome in those cost dockets, through the process,
6 whatever the process is in sharing those costs, then the
7 ALEC would be available to view those costs.

8 Q So short of a Commission proceeding, BellSouth --
9 or an ALEC would not be available to evaluate the cost
10 studies proposed by BellSouth?

11 A No, I would not agree with that. As I've
12 answered previously, we will operate based on the agreement
13 that was entered into by both parties.

14 Q Mr. Hendrix, it's your assumption that BellSouth
15 agrees to comply with FCC orders relevant to disclosure of
16 cost studies as well as relevant to collocation, is that
17 correct?

18 A BellSouth will comply with the orders as well as
19 the agreements entered into by the parties.

20 MR. GOODPASTOR: I have no further questions.

21 COMMISSIONER DEASON: Thank you. We will take a
22 recess until 1:00 o'clock for lunch.

23 (Lunch recess.)

24 COMMISSIONER DEASON: Call the hearing back to
25 order. Ms. Kaufman.

1 MS. KAUFMAN: Commissioner Deason, I think that
2 my areas have been covered by cross-examination of the other
3 parties, so I don't have any questions for Mr. Hendrix.

4 COMMISSIONER DEASON: Very well.

5 MR. SAPPERSTEIN: Well, I'm going to try to keep
6 mine brief, then.

7 CROSS EXAMINATION

8 BY MR. SAPPERSTEIN:

9 Q Good afternoon, Mr. Hendrix. I'm Scott
10 Sapperstein for Intermedia Communications.

11 A Good afternoon.

12 Q Referring to Exhibit 11, which is Exhibit JDH-1
13 to your direct testimony.

14 A Yes.

15 Q Is this the most current version of a collocation
16 agreement that BellSouth is offering to any of the ALECs in
17 the state via stand-alone or as part of an interconnection
18 agreement?

19 A When you ask is it the most current, let me
20 ensure that I am clear. This is only the starting point
21 that we use. This agreement reflects what was ordered in
22 the 706 order that went in on June 1. And there may have
23 been updates. So what a customer may have agreed to could
24 be vastly -- I shouldn't say vastly different -- could be
25 different from what is here because it is simply a starting

1 point, as it states at the top.

2 So we have signed other collocation agreements
3 since the 6/99, which is the date on this, at the bottom of
4 this.

5 Q Does BellSouth offer as a starting point any
6 other version than the 6/99 version as a stand-alone or as
7 part of its interconnection negotiations as the starting
8 point?

9 A The starting point could be what the carrier
10 customer would bring to us as a starting point. So this is
11 BellSouth's starting point and there aren't many, if any,
12 deviations from this. But we could well start with what the
13 carrier brings to us.

14 Q Okay. So just for clarification, I'm asking not
15 what a carrier brings to you, but is there anything else
16 besides this version that is marked 6/99 that BellSouth
17 offers either as a stand-alone or interconnection
18 negotiations as a starting point?

19 A And I'm really trying to answer the question.
20 Since 6/99 we have signed several different collocation
21 agreements. Any carrier can avail themselves of that
22 agreement that may have been signed by any other party. As
23 far as the template that BellSouth will use for carriers not
24 bringing anything to the table as the starting point, this
25 template is pretty much the most current template that we

1 use, if that is helpful.

2 Q When you say pretty much, what are the changes
3 that have possibly --

4 A There may have been a word change, or typos, or
5 whatever, but the substance is pretty much what is here.

6 Q Are there any sections to the best of your
7 knowledge that have been updated to further comply with the
8 FCC's Collocation Order or the Advanced Services Order as it
9 is also referred to?

10 A There is, and I can't reveal this is at this
11 moment, but we update these on a quarterly basis. So I
12 would say yes. But the substance of what is required in the
13 order, the 706 order, or the Advanced Services Order is what
14 we have here.

15 Q You say you update them quarterly. Can you
16 explain what is updated and when the next update will come
17 out?

18 A Yes. We update agreements to reflect various
19 rulings from various states wherein we have an obligation to
20 include those rulings as part of the agreements. So we try
21 always to go to the customer with what is the latest. So
22 that is what I mean by updating. I believe right now we
23 would perhaps have another draft to come out for review and
24 then for use as we negotiate with customers perhaps the end
25 of this month.

1 Q For ALECs that are currently in negotiation with
2 BellSouth or have pending arbitrations, has BellSouth
3 revealed to the best of your knowledge any of the new
4 updates in those negotiations or presented to the ALECs a
5 draft of what will be coming out at the end of this month?

6 A No, because we haven't drafted it yet. We are
7 still talking. But let me say this, as far as presenting to
8 other ALECs, I mean, these agreements once they are entered
9 into it's a matter of public record. So they can go in and
10 get any agreement. We file those, these agreements. So
11 they are at the hands of each of the ALECs if they choose to
12 get them.

13 But one thing we try to do is to ensure from an
14 operational standpoint that we have some standard as to not
15 impact us in a negative way as we try to implement these
16 agreements. So from a substance standpoint, there is very
17 little difference, if any. But we try to update them to
18 reflect whatever the orders are since these are regional
19 agreements.

20 Q Referring to Section 11 of the attachment to your
21 direct, which is Hearing Exhibit 11, Section 11 deals with
22 security and safety requirements, correct?

23 A Yes, it does.

24 Q Has BellSouth updated an offer to other ALECs an
25 updated version of Section 11, security and safety

1 requirements, since the 6/99 version was presented?

2 A At this moment I am not aware of any updates to
3 that section.

4 Q And can I ask you to check on that at a break to
5 see if there is anybody else or another witness that may be
6 more appropriate to be certain of that?

7 A No, I am the witness. It's just that we have
8 about a thousand agreements. And I will review all the
9 changes, and I cannot remember changes coming to us for the
10 section at this time.

11 Q Can I request that during a break you check on
12 that, and if your answer is any different that you correct
13 the record at the appropriate time?

14 A Sure, I will be happy to.

15 MR. SAPPERSTEIN: That's all I have. I will pass
16 the witness.

17 CROSS EXAMINATION

18 BY MR. BUECHELE:

19 Q Hello, Mr. Hendrix. My name is Mark Buechele,
20 and I represent Supra Telecom. Let me ask you this, I would
21 like to just get this clear. You say that in the common
22 spaces for collocation only BellSouth is allowed to hire the
23 contractor for cageless collocation?

24 A Well, for common space period, if it is common,
25 common space, we will hire the certified vendor to work in

1 that space.

2 Q And that is anything outside of the actual rack
3 where the -- anything outside of the rack?

4 A It is anything outside of the ALEC's space.

5 Q Which in cageless collocation is the rack?

6 A Likely. In more cases than not it will likely be
7 the rack.

8 Q So that means all the cabling, and the overhead
9 racking, and any power operates that you say are necessary,
10 all of that has to be negotiated with a certified contractor
11 by BellSouth, correct?

12 A Well, some arrangements with ALECs may require
13 different racking and may require overhead racking or
14 whatever. Just to be clear and to keep it as narrow as I
15 can keep it, anything that is outside of the space that the
16 ALEC customer is purchasing from us, we will control that
17 space and we will hire the contractor to ensure that
18 appropriate work is done to satisfy not only Supra or any
19 other single ALEC, but to ensure that we do what is
20 appropriate for our customers as well as other ALEC
21 customers.

22 Q Like, for example, in the case of Supra, who
23 wants to have space, cageless collocation space in your
24 racks, you said that only BellSouth can hire the contractor
25 to do the cabling, racking, power, HVAC, anything else along

1 those lines?

2 A That is outside of your space, that is correct.

3 Q Okay. Now, the logic for that is that you say
4 because BellSouth in its infinite wisdom knows everything
5 that is going on in that central office and therefore is in
6 a better position to direct the activities, is that correct?

7 A I didn't say everything that you said. I do not
8 have a problem with what you said, but the bottom line is
9 that we accept requests from various customers, multiple
10 customers, and we have multiple customers wanting to get
11 into the same office that Supra or any other ALEC customer
12 is wanting to get in. So it is only appropriate with us
13 knowing that that we do what is appropriate to ensure that
14 we are able to get all ALECs in.

15 Q And using your apartment rationale, if somebody
16 wanted to change the numbers on the outside of their door,
17 that would be common space because you've got stylistic
18 concerns as to the type of lettering, you have numbering
19 considerations as to the numbers that should be on the
20 doors, and, therefore, you think only you should be entitled
21 to do that work, correct?

22 A Yes, sir, I do.

23 Q Okay. Now, why then can't BellSouth just say, I
24 have the bigger picture. You, ALEC, go out there and hire
25 the contractor and let's all get together and these are my

1 considerations that need to be taken into consideration for
2 other people. And since it is a certified contractor, they
3 know what needs to get done correctly pursuant to your
4 regulations. Since you are involved in the loop, you know
5 the bigger picture. And since the ALEC is the one who is
6 hiring them, they can negotiate the prices, they can
7 negotiate the delivery, the timing, any cost overruns,
8 anything else like that. Why doesn't that take into
9 consideration your concerns?

10 A Because I think, one, from a business standpoint,
11 I think you would ultimately end up causing all of the other
12 ALECs to suffer. And by that I mean you will be adding
13 time, because in order to pick the right contractor that
14 would go in and do these things, who is to say that everyone
15 is going to agree to the same one that Supra wants?

16 The second point is that I am not certain that
17 every ALEC would want us to know -- would want us to make
18 public who is going into what space, which is something that
19 has to be known when you are operating and managing a common
20 space.

21 And the third reason --

22 Q Can't you just say --

23 A Excuse me, please.

24 Q Can't you just say --

25 A May I finish?

1 COMMISSIONER DEASON: Let the witness finish his
2 answer.

3 MR. BUECHELE: Sure.

4 THE WITNESS: And I think the third reason is
5 that it is our building, and since we know what we have
6 relative to growth plans to accommodate our customers as
7 well as the other customers, and we know what is forecasted,
8 which Mr. Milner will address later relative to other ALECs
9 coming into that office, it simply makes sense. Why
10 penalize the whole universe of ALECs when it just doesn't
11 make sense and it simply isn't efficient to do so.

12 BY MR. BUECHELE:

13 Q If your ground rules are that the contractor has
14 to take your future growth considerations and your knowledge
15 of other ALECs which don't have to be disclosed into
16 consideration, and get that feedback from you, why then
17 can't the contractor just carry out those plans knowing your
18 guidelines, and the scheduling and pricing information and
19 everything else negotiated with the ALEC?

20 A And my answer that I gave to your previous
21 question actually does not change with this question. But
22 from a business standpoint, it is not fair to the other ALEC
23 customers, and those are customers, and those are valued
24 customers to BellSouth, to have them wait until you go
25 through all of these other processes to determine who is the

1 appropriate vendor, who is the appropriate contractor to do
2 the things that you want to do. And I think --

3 Q What are the things that you want to --

4 A And I think what is actually the end of all of
5 this is that the ALECs may end up paying more costs and they
6 may lose, you know, certain customers because of the timing
7 issue.

8 So I think BellSouth is the best person to make
9 assessment and to manage that common space to ensure that
10 all ALEC customers are handled and managed appropriately.

11 Q Are batteries common space?

12 A I'm sorry?

13 Q Are batteries common space?

14 A Batteries?

15 Q Battery upgrades.

16 A Battery upgrades?

17 Q Yes, upgrades to the batteries.

18 A If it is in a common area outside of your area,
19 then, yes, it would be.

20 Q Now --

21 A Anything that is outside of your area that is not
22 designated to a given ALEC should be managed by BellSouth in
23 a BellSouth office.

24 Q Now, just so that we are clear. Batteries in the
25 central office are there for backup, correct?

1 A Yes.

2 Q And they are there for backup in case the AC from
3 the power company fails, number one; and then your backup
4 generator fails, number two. And then as the next resort
5 you have batteries, correct?

6 A I believe that is the appropriate sequencing,
7 yes.

8 Q And BellSouth has a standard backup that it uses
9 of about eight hours for its battery plant, correct?

10 A I will take your word for that. I mean, if you
11 are going through a list of assumptions, you know, I may or
12 may not be able to agree with the assumptions. But the
13 bottom line is anything that is outside of your space, it is
14 my -- I believe BellSouth should manage that because we have
15 the larger picture and we can better control what is needed
16 not only for Supra, but for other customers.

17 Q And when the ALEC comes to you and says I have
18 XYZ equipment that is going to draw a certain amount of
19 current, you are going to design the battery upgrades to
20 reflect the eight hours of backup or the standard backup
21 that you have built in with the rest of BellSouth equipment,
22 correct?

23 A If that is what we need to do, we will, yes.

24 Q And if this ALEC says to himself, look, I don't
25 want to have that amount of backup time. Let's say I only

1 want an hour of backup time. That is not going to have any
2 impact on BellSouth's equipment, is it?

3 A I don't know. I don't know if I can agree that
4 it -- I don't know that I can agree that it will not. I
5 mean, you are throwing out a lot of assumptions and what an
6 ALEC may or may not do. And I don't know that I can agree
7 with them all.

8 Q Well, if the ALEC's equipment is connected
9 directly to their batteries, and for some reason the power
10 goes out, the backup generator fails, and it is so long a
11 period of time that they lose power to their switch, it is
12 only the ALEC's customers that are going to suffer, correct?

13 A I don't know that I could agree with that.

14 Q Okay. Is there any reason why the ALEC must
15 accept that backup time that BellSouth imposes for its own
16 equipment?

17 A I suppose the best way to answer your question to
18 ensure I am responsive to what you are asking, BellSouth
19 will do what it believes to be appropriate to meet the needs
20 of the customer.

21 Q Now, you charge for those upgrades, correct?
22 When an ALEC comes to you with cageless collocation, you say
23 you need all of these extra batteries and you need all of
24 this extra power plant we are going to charge you for,
25 correct?

1 A Yes, sir, we do.

2 Q And that becomes part of the nonrecurring charge
3 for the costs of cageless collocation up front, correct?

4 A It would become a part of the charges, yes, sir.

5 Q Now, are you familiar with the fact that the
6 Florida Public Service Commission in a prior docket, I
7 believe involving AT&T, said that power upgrades should not
8 be charged as nonrecurring charges, but should be basically
9 part of the recurring per amp charge?

10 A I'm not -- right now I cannot bring to my mind
11 what it is that you are referencing, and I'm assuming it was
12 part of the AT&T arbitration. But just to be totally
13 responsive to what you are asking, what we do relative to
14 collocation in this state as well as in other states is to
15 ensure that we are in compliance with what was ordered.

16 Q Batteries are a significant portion of the
17 charges that you place on the ALEC up front?

18 A I don't know that I would agree that it is a
19 significant portion. It would likely be included as part of
20 the charge if it is appropriate for us to charge it, yes.

21 Q Are you familiar with some of the applications
22 that Supra made and what kind of power plant battery upgrade
23 charges BellSouth quoted?

24 A No. I usually leave that -- there are so many
25 people involved in any one customer, or customer wanting to

1 get physical space or get into the offices period, and I
2 usually do not get into the details of any one customer. So
3 I cannot say that I do.

4 Q Okay. Now, sitting here today you would say that
5 it should be BellSouth's responsibility to pay for the
6 racking and cabling that connects the ALEC's equipment to
7 your equipment, correct, to contract for that?

8 A It is BellSouth's responsibility to maintain and
9 to make whatever changes are needed to equipment that are in
10 the -- equipment or elements that are in the office that is
11 outside of the space designated for a given ALEC customer.

12 Q That would include the cabling running from --

13 A Anything that is outside of your space that is in
14 our office we believe that we have the obligation not only
15 to Supra but to all other customers to maintain and do that,
16 yes.

17 Q On cabling that would be a yes, correct?

18 A Anything that is outside of your collocation
19 space.

20 Q Now, you are familiar with the agreement that
21 BellSouth first put out after the Advanced Services Order,
22 the proposed agreement that was sent out to ALECs?

23 A I'm sure I am because I have had to read them.

24 Q Are you familiar with the fact that in that
25 agreement you stated BellSouth's position was that the ALEC

1 could contract for its own cabling to run to your connection
2 point at your distribution frame?

3 MR. CARVER: I'm going to object at this point.
4 Instead of representing to the witness that a document says
5 something, I think it is appropriate for counsel to show him
6 the document if he wants to ask him a question about it so
7 that the witness can see whatever he is reading in context.

8 THE WITNESS: I think my counsel needs to see it,
9 too.

10 MR. CARVER: Yes, I would like to see it also.

11 BY MR. BUECHELE:

12 Q Are you familiar with --

13 COMMISSIONER DEASON: Mr. Buechele, you need to
14 be at a microphone to ask a question.

15 BY MR. BUECHELE:

16 Q Are you familiar with the agreement I handed you
17 that was prepared by BellSouth just after the Advanced
18 Services Order?

19 A May I have your question again, because I don't
20 see --

21 Q Are you familiar with that agreement?

22 A I am assuming that this is the agreement that was
23 sent to you, and I am assuming that it is accurate. So if
24 you are asking me if -- if you are saying I got it from you,
25 then subject to check I would accept your word that you got

1 it from BellSouth.

2 Q Now, there is a provision in there that talks
3 about the demarcation point and the ALEC being responsible
4 for installation of items up to that demarcation point?

5 A Yes, but it doesn't say what you just said. All
6 this says is that Supra or its agent must perform all
7 required maintenance of equipment on its side of the demarc
8 point.

9 Q And it also says installation. It will hire
10 their certified contractors for the installation up to the
11 demarcation point?

12 A It says that Supra's BellSouth certified vendor
13 shall be responsible for installing and properly labeling
14 and stenciling the common block and the cabling pursuant to
15 Section 6.4.

16 And then if you go over to Section 6.4 of the
17 agreement, there are other requirements. There are about
18 10, I'm sorry, 11 other requirements, but I don't believe
19 that says what you just said.

20 Q The bottom line, it allows --

21 COMMISSIONER DEASON: Mr. Buechele.

22 BY MR. BUECHELE:

23 Q The bottom line is that it allows an ALEC to hire
24 a certified contractor to contract for the cabling to the
25 demarcation point, correct?

1 A On your side. On your side is what it says,
2 which is consistent with what I have been saying. You know,
3 you can hire a certified vendor to do what you want in your
4 space, a BellSouth certified vendor. But in any area that
5 is outside of your space in a common area, that is ours to
6 manage and that is what we are advocating that we be allowed
7 to do.

8 Q Sir, then what is the space? Is the space the
9 rack plus the cabling that goes to the demarcation point
10 across the central office, or is the space just the rack?
11 How do you define the space for cageless collocation?

12 A It is the space that you sign up for and we bill
13 you based on a square footage that you would order to place
14 your equipment. So it is your space and you are responsible
15 for what is inside your space. And anything outside of that
16 space that may be viewed as common space, BellSouth
17 advocates that it should be able to maintain that space and
18 do what is appropriate not only for Supra, but for other
19 ALEC customers.

20 Q Okay. Now, BellSouth says that when it gets a --
21 you say when you get a collocation request you consider
22 overhead lighting, you consider air conditioning vents,
23 correct, as one of the items, or two of the items that you
24 consider in that application, correct?

25 A I think what I said was that in making an

1 assessment, and I believe this is at Page 9 of my prefiled,
2 in making an assessment for physical collocation, we
3 consider the space allocation, we look at the heating,
4 ventilation, and the air conditioning, we look at the power
5 feeder, as well as the distribution of that power. We look
6 at the grounding as well as the cable racking. And that is
7 the part that we -- those are the key items that we assess
8 during the application process.

9 Q And overhead lighting, as well?

10 A If that is appropriate, yes.

11 Q Okay. So two of the items that you look at is
12 overhead lighting and air conditioning venting over the
13 space, correct?

14 A Those would be among the items that we would look
15 at, yes.

16 Q Okay. Now, let me ask you this, does BellSouth
17 pull a building permit with the local authorities every time
18 it puts new requirements in a line-up?

19 A My answer is I believe we do. But what I know to
20 be a fact, we will satisfy whatever the ordinances are. You
21 know, whatever the codes require us to do, we will ensure
22 that we meet those codes.

23 Q Okay. Now, BellSouth is constantly putting
24 equipment into its central offices, correct?

25 A I don't know what constantly means. We will do

1 whatever it takes, whatever is needed to ensure we are able
2 to provide the services that our customers expect us to
3 provide. So I'm assuming that is on somewhat of a regular
4 basis.

5 Q Now, the ALEC has no choice in the location that
6 BellSouth picks for putting their equipment in a cageless
7 collocation spot, is that correct?

8 A Yes, you do. You have input based on what you
9 give us as part of the application as to what it is that you
10 are wanting to do, what type of space you are going to need,
11 the type of equipment that you are going to put into that
12 space. So all of those are key drivers and input as to
13 where you end up in a CO.

14 Q But that determines the ground plain and related
15 items.

16 A Yes, but that is critical input.

17 Q But when it comes to actually choosing between
18 available spaces of equal use to you, BellSouth is the one
19 who chooses, correct?

20 A Based on input from the customer as to what the
21 customer is wanting to have installed.

22 Q Now, on cross-examination you previously stated
23 that, in fact, it is usually very much an issue, air
24 conditioning venting is usually an issue on most collocation
25 applications, correct?

1 A I'm not certain that I couched it as being an
2 issue. It is definitely something that is critical to us to
3 ensure that we have the appropriate -- and I think I may
4 have mentioned HVAC, which is your heating, your
5 ventilation, and your air conditioning to ensure that we
6 aren't causing problems for you, Supra, as well as any other
7 ALECs, and that we maintain a climate that is appropriate to
8 ensure there aren't any failures.

9 Q There is two components of HVAC; there is
10 actually the vents that take it to the location and there is
11 the actual capacity of the unit that is back there, way back
12 in the physical plant, correct, that actually does the
13 cooling?

14 A On a general basis I would agree with you. I
15 mean, there are more details, but in general, yes.

16 Q In general. And the issue that we are talking
17 about here is not the actual cooling plant, but we are
18 talking about the vent that uses it to take the air over the
19 equipment, correct, when we talk about cooling?

20 A No, I think you're talking both. Because if
21 there are upgrades or changes that are needed as a result of
22 a new piece of equipment coming into the office, that may
23 require us to make -- replace a system or add to a system or
24 make whatever other upgrades. So I think you are talking
25 both, you're not limiting it only to the vent.

1 Q And is it a fair statement to say that for most,
2 if not everybody who is collocated in BellSouth's central
3 office, they have had to run or BellSouth has stated that a
4 vent needs to be placed over the equipment for cooling?

5 A You mention everybody, and that is very broad.
6 What I would say is that BellSouth will ensure that it has
7 the appropriate air conditioning in place to satisfy the
8 needs of the customer.

9 Q Even if that air conditioning is more than the
10 vendor says is necessary, the equipment vendor? Or will you
11 default to the equipment vendor? If the equipment vendor
12 says, no, you don't need vents over this equipment, would
13 you, BellSouth, then say, okay, I will listen to the
14 equipment vendor and you don't need a vent; or would you
15 say, no, I think you need a vent over this equipment?

16 A Well, since it is BellSouth's office, it is our
17 desire to ensure that we do what is appropriate to provide
18 the appropriate cooling, vents, or whatever is needed. So
19 it is BellSouth's choice to ensure that no other CLEC as
20 well as Supra is harmed.

21 Q And only BellSouth is allowed to hire the
22 certified contractor to put that vent in, isn't that
23 correct?

24 A And the answer is yes, but that is per the
25 agreement that the parties agreed to.

1 Q Now, isn't it true that you need a building
2 permit to put in an air conditioning vent?

3 A Perhaps you do, I'm just not certain.

4 Q And you need a building permit to put in one of
5 these overhead lights to run it out over the equipment,
6 don't you?

7 A I believe you probably do.

8 Q And BellSouth requires both of those over every
9 collocation space, don't they?

10 A Yes. Again, we are going to meet whatever the
11 codes are. Whatever it is that we have to do, we are going
12 to do it to ensure that we are in compliance with whatever
13 the building codes are.

14 Q And the ALEC is not allowed to get the building
15 permit, and the ALEC is not allowed to hire the contractor
16 to do that work, are they?

17 A Well, the contractor is a BellSouth certified
18 contractor if that is what you are asking. Yes, it is a
19 BellSouth certified contractor, and they go through a
20 process to ensure that they do what is right in accordance
21 to the code. So it is, in fact, a BellSouth certified
22 contractor.

23 Q But only BellSouth can negotiate and hire that
24 contractor, correct?

25 A Once a contractor goes through that process they

1 are a BellSouth certified contractor, and I suppose any
2 other CLEC could come in and apply, or anyone that you want
3 to use can come in and apply to be a BellSouth certified
4 contractor. And if they pass to be a certified contractor,
5 then they can be one.

6 Q Are you stating here on the record that an ALEC
7 is allowed to hire their own contractor to do this work or
8 is it that BellSouth has to hire the contractor?

9 A No, I'm not saying that. What I'm saying is that
10 if you choose, if there is someone that you believe that
11 should be a certified contractor and is able to go through
12 that process wherein we have legal grounds that would allow
13 us to have a process to certify those contractors to come in
14 and work in our offices, and if you have someone in mind,
15 they can definitely apply and go through that process.

16 Q Okay. So what you are saying if we have somebody
17 we like, we can bring them to you and try to get you to
18 certify them, and then you will hire them to do that work,
19 correct?

20 A No, what I'm saying is that you can bring them to
21 BellSouth, and I believe there is a number that that
22 certified contractor can call in order to go through the
23 process of being certified. And then if, in fact, they pass
24 the process of being certified, then they would likely be a
25 BellSouth certified contractor.

1 Q Because the lighting and the air conditioning
2 vent are considered to be common elements outside the space,
3 under your current policies only BellSouth is the party who
4 is allowed to hire that contractor to do the work, correct?

5 A Any work that is to be done outside of your space
6 that you are designated or that you have assigned to you
7 will be done by a BellSouth certified contractor.

8 Q Is there any reason why you couldn't let the ALEC
9 come in and say, well, let me find a space that already has
10 a vent, or if the vendor says I don't need a vent then I
11 don't need a vent, or if there is already overhead lighting,
12 why do you give me a space without these items if you
13 require them? Is there any ability for the ALEC to help
14 choose that space to speed up the collocation process?

15 A As I mentioned, you help choose that space by the
16 input that you give us relative to what your needs are. If
17 we allow Supra to come in and situate its collocation
18 arrangement anywhere it wants, what will prevent all of the
19 other hundreds of carriers from coming in and asking to do
20 the same?

21 And that's why I stated in my summary you need
22 someone, one party to manage that space. And since it is in
23 a BellSouth office, we understand what our plans are, we
24 know what the applications are that are coming to us, then
25 we are that appropriate party.

1 So you provide a lot of input into the process as
2 to where you go based on what you order.

3 Q Is it true that when BellSouth picks the
4 contractor BellSouth has no incentive to get the best rates
5 or the best delivery time when he is picking it for an ALEC?

6 A I'm sorry, could you say that again.

7 Q Does BellSouth have any incentive to do
8 competitive bidding for an ALEC or to negotiate the best
9 terms, the best preparation time?

10 A Well, first of all, the certified contractors and
11 vendors that we have, once they go through that
12 certification process, you know, the way they get there,
13 one, is to pass the process. But, in essence, you have a
14 bid process. I mean, there is no incentive on our part to
15 get someone that is not going to be able to build the space
16 and do all the things that are actually needed.

17 We want you to get into your office space. We
18 want you to be able to serve customers. The wholesale
19 business is a very attractive business. We want to be
20 there. So there is a lot of incentive for us to do that,
21 yes, because we want you as a customer.

22 Q Let me ask you this. Why couldn't, let's say,
23 for example, a company like Supra go to a switch vendor like
24 Lucent, and say I will buy your switches if you throw in the
25 power plant for free? Why do we then have to say, no, we

1 can't make that deal with Lucent because BellSouth says only
2 they can hire the contractor for the batteries?

3 A I don't have anything to do with the deals that
4 you may cut with Lucent. But the bottom line, and I have
5 said this probably ten times in this line of cross, is that
6 the space outside of your office, outside of your designated
7 collo space, we believe that we are the best ones to manage
8 that space since we have a much larger picture. And it is
9 not focusing on any one ALEC, but it is focusing on the
10 universe of what is needed, what has been asked of
11 BellSouth, and we are going to do what we think is in the
12 best interests of our customers having that much broader
13 look.

14 Q Let me ask you this. Exhibit 1 to your
15 testimony, the collocation agreement, Exhibit A to that is
16 the rates that you propose in terms of breakdown for
17 specificity, is that correct?

18 A Exhibit A?

19 Q Yes.

20 A Yes, those are the rates, as well as the
21 functions.

22 Q And those are all the line item charges you wish
23 to break out from the collocation arrangement?

24 A Okay. I'm not certain I understand your
25 question. If you are asking me if these are the rates that

1 we charge, and if these are the rates as they may appear on
2 the bill to our customers, is that what you are asking?

3 Q No, it's easier this way. In the beginning you
4 said collocation was like a house, every house is different.
5 Therefore, we have got to go in and we have to tailor the
6 collocation to every specific space, correct?

7 A And to the customer, the customer comes first.

8 Q And so to the extent that you can pull out
9 specific items as part of that collocation process and
10 define them and give them a fixed charge so that people know
11 ahead of time what it is going to cost, this is all you are
12 willing to do, is that correct?

13 A No, sir, it is not. I believe -- Mr. Goodpastor,
14 I believe, asked a similar question, and I hope I'm
15 responding to what you are asking. There are plans instead
16 of having so many ICB rates, individual case based rates,
17 that we would go in, since we have a lot of data that we
18 have been able to study, and come up with a flat-rate.

19 Q Have you ever seen how Southwestern Bell handles
20 its collocation process in terms of breaking out the charges
21 and the rates and things of that nature?

22 A No, sir. But I know we have talked to various
23 regions, and we have gotten a lot of input from our CLEC
24 customers as to what they want, and the CLEC customers are
25 the ones that are driving us to go to this flat-rate

1 structure.

2 Q Are you familiar that Southwestern Bell breaks it
3 out to over 180 line items, many of them give you choices as
4 to whether or not the ALEC can choose to do a portion of the
5 work themselves or not do a portion of the work themselves,
6 and all of this is tariffed rates?

7 A No, sir, I have not seen that.

8 Q Look at that for a minute and tell me if there is
9 any reason why BellSouth cannot get down to the same
10 specificity as Southwestern Bell does?

11 A I can't sit here and tell you whether we can or
12 cannot. What I can tell you is that our customers have a
13 lot of input as to how they want to see the bills. Further,
14 you know, these are just rate pages, but you do not have the
15 terms that will usually accompany any given rate explaining
16 what it is that the customer would actually get.

17 But from what we have heard from customers, they
18 would much rather have flat-rate and combine many of the
19 functions that are currently ICB wherein they end up with
20 one flat-rate, and this seems to be going counter to that
21 effort. So we try --

22 Q No, this isn't ICB. These are flat --

23 A No, sir, I understand that. What I'm saying is
24 that the rates that we currently have that are ICB, some of
25 the input we have gotten from customers is to aggregate

1 those rates into a flat rate. And this goes counter to what
2 we believe our customers have asked us for.

3 Q Currently whenever an ALEC comes to you with a
4 collocation request, you provide them a three line item
5 breakdown of estimated charges, which are mostly ICB,
6 correct?

7 A Help me with the three line items.

8 Q The three line items would be space construction,
9 frame cable -- yes, why don't you show him.

10 A Am I supposed to have this?

11 Q Yes. Just look at it. Tell me if that refreshes
12 your recollection as to three line items?

13 COMMISSIONER DEASON: Excuse me just a second,
14 are you requesting your attorney to look at that?

15 THE WITNESS: Yes, sir.

16 COMMISSIONER DEASON: That would be fine.

17 MR. CARVER: I'm just waiting for my copy. Okay,
18 I've had a chance to look at it.

19 COMMISSIONER DEASON: Proceed with the question.

20 BY MR. BUECHELE:

21 Q Are those the three line items that BellSouth
22 provides in its estimate currently, space construction,
23 frame cable, cable support and power?

24 A Yes. Now this is the estimate, yes.

25 Q Okay. And right now you are not sure whether or

1 not the Commission has already ordered that power charges
2 should be recurring and not nonrecurring as it is reflected
3 here. Can you check on that?

4 A Well, if you have an order where it was ordered
5 and if it was ordered in an arbitration, you know, I don't
6 know the scope of that arbitration, whether it was for a
7 given carrier and a given carrier contract. But, I mean, if
8 you have something to indicate, there is no point in me
9 checking if, in fact, it was part of a given arbitration
10 case.

11 Q And in this case the particular document you have
12 an is estimate for one central office, correct? Cageless
13 collocation in one central office? Daytona Beach?

14 A I don't know that I can conclude that that is, in
15 fact, the case. I mean, you have given me one piece of
16 paper. Usually on any estimate there is usually something
17 else to accompany this sheet of paper. So if you are
18 assuming that it is for a single office, then I can't say
19 yes or no.

20 Q You know the procedures, you give them out for a
21 single office, don't you?

22 A Yes, usually. But you asked me this, if this
23 represented a single office. I'm not certain as to what
24 else may have accompanied that piece of paper.

25 Q And right now if the ALEC who gets this and says,

1 wow, I have to pay half of \$315,000 just to get in right
2 now, you don't provide them a breakdown of that proposed
3 expenses, do you, currently?

4 A I believe the account team that is assigned to
5 that ALEC will work with the customer to ensure that the
6 type of details that the customer would need on this
7 estimate is somehow shared with the customer.

8 Q Could you check Order Number PSC-98-0604-FOF-TP
9 at Page 155 for the, where in that arbitration the Florida
10 Public Service Commission stated that power charges should
11 be recurring and not nonrecurring as they are here? Could
12 you doublecheck and see if that is correct?

13 A I honestly did not write that down. I will be
14 happy -- could you tell me --

15 MR. CARVER: I'm going to object to this. If
16 counsel was to provide him an order and ask him his
17 understanding of what it means, that's fine. But I think it
18 is a bit much for him to ask him to, in effect, sort of
19 research law and come back and report on what it says if he
20 is not going to provide him with the order.

21 COMMISSIONER DEASON: Mr. Buechele, there has
22 been an objection to the request.

23 MR. BUECHELE: I'm just asking him if he is
24 willing to go back and have his Counsel look at it and talk
25 about it and give us a report whether or not --

1 COMMISSIONER DEASON: I think they are both
2 saying no, they are not willing to do that.

3 MR. BUECHELE: Okay. We all can read the order.

4 BY MR. BUECHELE:

5 Q And is it fair to say that the permitting process
6 that is involved in things such as the AC vent overhead and
7 the overhead light is not included in your calculation of
8 how long it should take to provision a collocation space?

9 A Yes, sir, it is fair.

10 Q And how long would you say with those permits
11 that it should be included, it should take?

12 A The last numbers I had would indicate something
13 greater than 40 days is the requirement on average for a
14 permit.

15 Q Were you familiar with Blue Star Network, they
16 filed a complaint against BellSouth recently, or about a
17 month or two ago stating that in May they had paid the
18 estimated charges and that as of November BellSouth was
19 telling them they still didn't have building permits for the
20 lighting and AC ducting?

21 A No, sir, I'm not aware of that. But then, again,
22 you know, we do not issue those, we can only follow the
23 process that is given to us.

24 Q Don't you think if the ALEC was in control of
25 that process in terms of if the lights and the vent was

1 actually required, if the ALEC was in control of that
2 process that they could have -- they would have a lot more
3 incentive to speed that up?

4 A No, I don't believe so. Because it still goes
5 back to getting a permit to do what is needed to be done in
6 the office. I can assure you that we do not drag our feet
7 in doing what it is that we need to do to ensure that we get
8 the appropriate authority to do what our customers have
9 asked us to do. So I don't believe an ALEC taking on the
10 work in common areas would speed up anything along those
11 lines.

12 Q In that case, that work only affects the ALEC
13 because the vent is over their equipment and the light is
14 over their equipment, correct?

15 A Yes, sir. But I do not make the -- well, no, I
16 don't know that it will or will not. On the surface it
17 would appear as if it does. But I'm not certain if the lack
18 of vent in that area, how it may impact other ALECs if it is
19 a cageless arrangement or even a wire cage arrangement. But
20 then, again, we are not the ones to issue the permit for
21 that. And we are simply following the process and ensuring
22 that we do it as quickly and to be as timely as we can do,
23 as we can be in meeting what our customers are asking.

24 Q And the batteries used by an ALEC for their own
25 backup could be separated so that it only supplied the

1 ALEC's equipment and, therefore, that construction will only
2 affect the ALEC, isn't that correct?

3 A Any batteries or anything that you install in
4 your space, I would hope for the most part will only impact
5 you. But there are some other things that may not impact
6 you only. You know, such as drain on power, drain on AC as
7 a result of heat as a result of the equipment that you may
8 have placed. So anything that is in your space like
9 batteries, perhaps it will only impact you since it is your
10 backup, your backup battery.

11 Q And the cables that run from the equipment to
12 your main distribution frame, from let's say the ALEC's
13 equipment to the main distribution frame only affect the
14 ALEC?

15 A Not necessarily, it depends on what racking that
16 must be put in place to accommodate that run of cable, the
17 length of the cable that may need to be run. So it could
18 impact other parties.

19 Q Well, let's say BellSouth says here is a space to
20 run the cables. This location, down this route, down that
21 corridor, down there from your equipment to the main
22 distribution frame. If you define the route, does it impact
23 anybody else?

24 A It could because there may be other ALECs that
25 are wanting to come in and we have applications that we are

1 working for those other ALEC customers. So, yes, when it
2 gets outside of your designated space it could well impact
3 other ALECs.

4 Q And if you sat down and said I know that this
5 ALEC has equipment that is going in here, and he is going to
6 require this path, I know that ALEC has this equipment here,
7 and it is going to require that path, I know that you are
8 going here, so you only require this path, then it shouldn't
9 affect anybody else's space, correct?

10 A The fact that you are going different routes and
11 the fact that you had existing racks or conduit in place, it
12 could well affect someone else.

13 Q And if the person installing it is a certified
14 contractor, he knows -- they know how to install it pursuant
15 to your requirements, correct?

16 A If it is a BellSouth certified contractor, they
17 will know how to install it according to whatever the
18 standards are.

19 Q So that it doesn't affect anybody else?

20 A No, sir, I would not agree with that.

21 Q And just one more thing. Currently when you send
22 out the estimates, those three line items to the ALEC as the
23 estimated charge, if they dispute those charges and don't
24 want to pay what they think is an outrageous amount to
25 collocate equipment, do they lose the space?

1 A If you do not submit a firm order with 50 percent
2 of the charges I believe is what is required and then there
3 is a staggered period after that, I believe it is after 30
4 days you will remit additional payment. If you do not
5 submit an order, you do not have that space.

6 Q Okay. So there is no mechanism to dispute the
7 charges, or the necessity, or whether there is double
8 billing, or whether there is anything else in those charges
9 hidden, because you have no specifics that you can determine
10 whether or not it is even needed. There is no mechanism to
11 allow the ALEC to dispute that currently, correct?

12 A No, sir, that is not right. You have terms, and
13 I know for certain in Supra's agreement that would allow you
14 to go in and question charges. Let me say first this is an
15 estimate, okay. And as I mentioned in previous cross, we
16 will give you invoices detailing what those charges were.
17 And those rates are subject to true-up, and this is simply
18 an estimate and based on what you have given us.

19 Q You are not going to give us an estimate up front
20 telling us how much is going to be spent for this, this,
21 this, and that so we can look at it and see, number one,
22 whether it is necessary, number two, if there is somebody
23 else who will do the same work for half the price, or,
24 number three, any other means for us to dispute that
25 estimated charge that you require up front, albeit according

1 to you it is subject to true-up?

2 MR. CARVER: I'm going to object. I counted
3 about four different questions there. I don't see how a
4 witness could possibly sort that out.

5 MR. BUECHELE: If he can. If he can't, he can't.

6 COMMISSIONER DEASON: Mr. Hendrix, if you can
7 sort it out, please do so.

8 THE WITNESS: Yes, sir. And my answer to all
9 four is this, as I mentioned, there is an account team
10 person assigned to each customer. Your account team person
11 is sending the estimate back to you of what it will take for
12 you to accomplish what you need to accomplish. And those
13 account team people will sit down and meet with you and
14 explain, you know, as they work with the various groups, as
15 to what these charges are and what is included in these
16 charges. So you have a vehicle in place that will give you
17 more details than what you say on these three separate
18 lines.

19 BY MR. BUECHELE:

20 Q Except in the case of Supra, where we had to go
21 to the FCC in order for you to give us more detail, is that
22 correct?

23 A No, sir, I do not agree with that. And,
24 furthermore, it is beyond the scope of the issues here. But
25 I do not agree with that. I think you are blatantly wrong

1 there.

2 Q Do you have personal knowledge that in the case
3 of Supra, BellSouth provided any specifics beyond those
4 three line items until a complaint was made with the FCC?
5 Do you have any personal knowledge that that didn't happen?

6 A I'm trying to think how to answer your question,
7 because since I oversee the contract group, I have a lot of
8 knowledge of what may have taken place. What I would like
9 to say is BellSouth was responsive to what Supra asked for.

10 MR. BUECHELE: We disagree. Thank you. Your
11 Honor, I would like to move in those exhibits that we
12 distributed around.

13 COMMISSIONER DEASON: I can't move exhibits that
14 have not been identified.

15 MR. BUECHELE: Can we identify them?

16 COMMISSIONER DEASON: Which exhibit do you wish
17 to have identified?

18 MR. BUECHELE: I think we provided -- we would
19 like the Southwestern Bell breakdown, if we can identify
20 that one, and just the three-page line item.

21 COMMISSIONER DEASON: Okay. The Southwestern
22 Bell, what is this, a cost breakdown?

23 MR. BUECHELE: Yes, it is a physical collocation
24 quote summary sheet.

25 COMMISSIONER DEASON: Quote summary sheet. This

1 will be identified as Exhibit Number 12.

2 MR. BUECHELE: And the other one is a BellSouth
3 application response for physical collocation.

4 COMMISSIONER DEASON: That will be identified as
5 Exhibit 13. And I will allow you to move the exhibits at
6 the conclusion of all cross examination.

7 MR. BUECHELE: Thank you, Your Honor.

8 (Exhibit Number 12 and 13 marked for
9 identification.)

10 COMMISSIONER DEASON: Are there any other parties
11 to cross-examine this witness besides staff and, I believe,
12 Sprint? Ms. Masterton, you may proceed.

13 MS. MASTERTON: I'm Susan Masterton representing
14 Sprint.

15 CROSS EXAMINATION

16 BY MS. MASTERTON:

17 Q Mr. Hendrix, you have stated that BellSouth is
18 currently in the process of developing standard rates for
19 space preparation elements, is that correct?

20 A Yes, ma'am, I did.

21 Q You would agree, wouldn't you, with the
22 proposition that it is not appropriate for BellSouth to
23 double-recover its costs through those charges?

24 A Well, we do not intend to double-recover our
25 costs through those charges.

1 Q Thank you. And then just a couple of questions
2 for clarification. You have previously agreed that if less
3 space is available than an ALEC originally requests in its
4 collocation application, it is appropriate to allow the ALEC
5 to modify its request to accept the available space, is that
6 correct?

7 A Yes. And let me clarify one point on that,
8 because when I answered that question I think it may have
9 been Mr. Goodpastor, or it may have been Mr. Hatch, I can't
10 remember which, but if there is less space there is some
11 reassessment that is usually needed.

12 In other words, if a customer had requested 500
13 square feet of space, let's just use that as an example, and
14 they determined that they -- and we go back and we tell the
15 customer we only have 300 square feet of space, and we will
16 offer that 300 square feet to the customer, and we would ask
17 the customer to clarify the application that was sent in
18 because they may be planning -- they may have planned to
19 place equipment that would use up all of that space in 300
20 square feet.

21 And that may require them to downsize or make
22 other changes, which would require us to make changes in our
23 power, perhaps our HVAC or whatever else. And so there is a
24 time frame which should not exceed 30 days wherein we would
25 clarify the ap being that the space has actually changed and

1 the customer has given us something that is different.

2 Q Okay. What I wanted to follow up to ask is that
3 do you agree that ALECs on the wait list should have the
4 same opportunity to accept less space if space becomes
5 available later but the space that becomes available is not
6 enough to satisfy the original request?

7 A I thought that was the question I answered, I'm
8 sorry.

9 Q No, I think we were talking first in the original
10 application process, that was my first question. And my
11 second question relates to a denial of space and then the
12 ALEC goes on the wait list, and then space becomes available
13 but it is not enough to satisfy the square footage that they
14 requested prior to going on the wait list.

15 A Yes, they should have -- based on where they are
16 on the wait list, they should be afforded the opportunity to
17 say yes or no to that space.

18 Q So, for instance, if they had requested 300
19 square feet, but only 200 became available, they would have
20 the opportunity to reassess their application and ask in the
21 order in which their application was submitted?

22 A That is correct.

23 MS. MASTERTON: Thank you. I have no further
24 questions.

25 COMMISSIONER DEASON: Staff.

CROSS EXAMINATION

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BY MS. KEATING:

Q Good afternoon, Mr. Hendrix.

A Good afternoon.

Q I just really have a few short clarification and follow-up questions. My first one is with regard to installing a caged collocation arrangement.

A Yes.

Q Now, when you put in a caged arrangement, do you actually put in the cage or the enclosure at the same time that the rest of the work is being done?

A Yes. There is a lot of overlap in that process. So for that reason while other things are happening, as I mention in my prefiled, installing the cage is not a critical interval impacter. In fact, it doesn't impact the interval at all.

Q Okay. Now, with regard to ALECs obtaining the services of a certified contractor, when an ALEC needs to obtain those services, do they have to go through BellSouth to obtain a list of those certified contractors?

A Yes. We have a list and the account team person, there is an account team person assigned to the ALEC customer, and they would have that list and make that list available to the customer for them to pick from.

Q And once the ALEC obtains the list, do they have

1 to then go through BellSouth to actually contact the
2 contractor or can they do that themselves?

3 A I believe they are assisted through the account
4 team. The account team is there to help the ALEC do what
5 they need to do to get into business.

6 Q Are they required, though, to go through the
7 account team to contact the contractor?

8 A I don't believe that it is stated as a
9 requirement for them to do that, but from a practical
10 standpoint, since these are the people that are going to
11 help you get your orders in, your account team folks, these
12 are the ones that will need to be aware of what is
13 happening. I would think it would be in the customer's
14 interest to do that, but I don't know that it is stated that
15 that is the process they have to follow. It would simply
16 make sense, I think, for them to want to do that.

17 Q But as far as you know it is not an actual
18 requirement?

19 A Not to my knowledge.

20 Q Now, once an installation is completed, does a
21 BellSouth employee or engineer actually approve the
22 completed project at some point?

23 A Yes, there is an approval. I suppose it is like
24 your closing on your house, ensuring that the parties agree
25 that the space is ready to be occupied by the ALEC. In

1 fact, there is language in the contract that is entered into
2 between BellSouth and the ALEC customer that talks about the
3 occupancy and the steps that you will go through to make
4 that happen.

5 Q Do you know or have any idea about how long that
6 approval process takes?

7 A Perhaps Mr. Milner does, but I don't believe that
8 it is a lengthy process. But it is simply a walk-through
9 and anything that is needed of being changed, and we will
10 ensure that we change those based on what the customer has
11 actually ordered. But it is not a lengthy process at all.
12 Perhaps Mr. Milner will be able to give us a more definite
13 time frame around that.

14 Q Okay, thank you. My next couple of questions are
15 follow-up questions to responses that I believe you gave to
16 questions Mr. Melson asked about tariffing collocation rates
17 and charges.

18 A Yes, ma'am.

19 Q Do you believe that tariffing collocation rates
20 and charges would enable BellSouth to provide a complete
21 response to an application in a shorter time frame than the
22 30 days that you have indicated will be necessary?

23 A No, I do not. What I believe will actually
24 impact that time frame, and after talking with some of the
25 ALEC customers, is to go to a flat-rate as opposed to an ICB

1 space prep type charge. What that will do once you work
2 through the log you currently have is to cut down on that
3 time. Customers that are wanting to purchase from the
4 tariff if, in fact, you have a tariff, they could purchase
5 from the tariff. But based on what we have seen with
6 customers, and even feedback from other regions that that is
7 not what they want to do.

8 What they want to do is to have their contract
9 and then with flat-rate charges that will cut down on the
10 time. I think the tariff would serve little if any purpose
11 in cutting down on the interval.

12 Q I guess I just --

13 A Now, let me say also if you want us to file a
14 tariff, you know, we could file a tariff. But I don't
15 believe that it will accomplish what many think is likely to
16 happen. Because the same things would happen in a contract.
17 And rather than purchase from a tariff a customer will go to
18 the contracts.

19 Q I guess I'm just not really clear what the
20 difference would really be between tariffing those charges
21 and establishing a flat-rate for those charges, if what you
22 are saying is that ALECs want to sit down and negotiate
23 regardless?

24 A And let me see if I can explain what the
25 difference is. The difference is when you draft a tariff

1 you are never going to satisfy all parties, okay? And the
2 hardest thing to do is to have more than three or four
3 people try to draft a tariff. We will end up arguing what
4 is the appropriate language in that tariff. Wherein in a
5 contract, the customer will simply negotiate an agreement
6 and you would come to terms with the language in the
7 agreement, and you come up with flat-rate and he has got
8 what he needs. He does not have to fight the battle of
9 tariff changes being made.

10 Because as with any tariff, once you are ordered
11 to do something different, then you are going to go in and
12 change the tariff to ensure it is in line with the order.
13 With the contracts it is with customers for a two or
14 three-year period and it is stable. And customers have
15 indicated to us they want something that is stable. They
16 don't like all the changes. Let's just agree to these
17 terms, and let's just be done with it for three years or two
18 years.

19 MS. KEATING: Thank you, Mr. Hendrix. I believe
20 that is all we have.

21 COMMISSIONER DEASON: Commissioners.

22 COMMISSIONER JACOBS: I have a couple of
23 questions. Mr. Hendrix --

24 THE WITNESS: Yes, sir.

25 COMMISSIONER JACOBS: -- would you agree that the

1 record has some criticisms of your case-by-case approach to
2 planning and conditioning collocation space?

3 THE WITNESS: I would agree that not all of us
4 view everything through the same glasses.

5 COMMISSIONER JACOBS: One of the things I think
6 the criticism says is that you sacrifice efficiencies and
7 perhaps even economies by taking that approach versus a
8 broader and long-range approach. How do you respond to
9 that?

10 THE WITNESS: I would disagree. It is
11 BellSouth's policy to do what we have to do to satisfy our
12 customers. We do not always hit that square on the mark,
13 but the process that we currently have in place, I believe,
14 is a very efficient process. The business is changing with
15 many customers wanting to get into this new business and
16 into these new markets, and the growth that we have seen
17 with requests from customers is simply, you know, we are
18 trying to address that, and it appears as if nothing you do
19 will address it totally. But we are trying to be totally
20 responsive to what our customers are asking and the way that
21 we best do that is to be efficient.

22 And I think the process we have in place is an
23 efficient process. I'm not saying that there aren't things
24 that we can do better. But when you look at it from a
25 broader standpoint and simply not a given customer

1 standpoint, you know, you have a different picture. And I
2 believe many of the customers are, you know, viewing it from
3 a more narrow view.

4 COMMISSIONER JACOBS: I should say there is a
5 strong directive -- let me say that I think a reading of the
6 FCC's order on collocation could lead one to conclude that
7 there is a strong directive that as much efficiency as you
8 can weave into this process you are instructed to do that.
9 Specifically to make sure that you don't impose additive
10 costs on collocators by opening up to the new processes that
11 were developed.

12 And more specifically with regard to the shared
13 collocation spaces that anyone collocated in that shared
14 space doesn't -- or actually more appropriately the total
15 that all of the shared collocators pay does not exceed what
16 would have been paid pro rata if each individual had come in
17 to get that same space. Do you have any procedures,
18 safeguards to ensure that as you do it on a case-by-case
19 basis you don't violate these directives from the FCC?

20 THE WITNESS: Yes. And I think part of that we
21 will address as we move to a more flat rate and as we move
22 to other process improvements that we are looking to make in
23 the process as a result of input from customers.

24 I would agree the orders, the federal orders
25 pretty much would obligate us to do whatever we can to get

1 CLECs into the spaces that they are wanting to get into as
2 soon as they can and with as little space as they want to do
3 what it is that they need to do.

4 And we are doing everything we can. And I can
5 sit here and say that to the best of my knowledge we are
6 meeting what we are obligated to do under those orders. And
7 I would stand here -- I mean, sit here and say that we are
8 going to do whatever we can to be efficient to ensure that
9 we respond to what they are asking for in a very timely
10 fashion.

11 COMMISSIONER JACOBS: Do you have a time line
12 that you are looking to to go to a flat --

13 THE WITNESS: A flat rate pricing? Yes. Right
14 now, and I hope I don't get shot for saying this, because I
15 have a couple of customers in the audience that have asked
16 for this and that I have talked to about this.

17 COMMISSIONER JACOBS: Well, you are free to --

18 THE WITNESS: We are hopeful that it will be
19 within the next 30 days or so.

20 COMMISSIONER JACOBS: Thank you.

21 THE WITNESS: Yes, sir.

22 COMMISSIONER DEASON: Before we do redirect, we
23 are going to take a recess. And I just request that you
24 confer with your witness, and if there are any questions
25 that need to be checked on, as I believe some questions were

1 left in that manner, that that be clarified before the
2 witness leaves the stand.

3 I believe there were some questions that asked
4 the witness at the next break to check on some things or
5 clarify some things, and if that is necessary please do that
6 on your redirect.

7 MR. CARVER: Yes, sir, we will.

8 COMMISSIONER DEASON: We will take a 15-minute
9 recess.

10 (Recess.)

11 COMMISSIONER DEASON: Call the hearing back to
12 order.

13 Mr. Carver.

14 MR. CARVER: Thank you.

15 REDIRECT EXAMINATION

16 BY MR. CARVER:

17 Q Mr. Hendrix, I believe you were asked to check on
18 something by counsel from Intermedia, is that correct?

19 A Yes. I believe he had asked relative to Section
20 11 if that was the most current agreement and if anything
21 had changed in that section. And upon further check, there
22 were some changes, and the reason for those changes I was
23 told was the result of negotiations with another ALEC
24 customer. And we agreed to some language that both parties
25 could agree to. And as such we just made it a part of the

1 standard language.

2 MR. CARVER: Thank you. I have no further
3 questions.

4 COMMISSIONER DEASON: Okay. Exhibits.

5 MR. CARVER: BellSouth moves Exhibit 11.

6 COMMISSIONER DEASON: Without objection, Exhibit
7 11 is admitted. Further exhibits?

8 MR. BUECHELE: I would like to move Exhibits 12
9 and 13.

10 COMMISSIONER DEASON: Okay. There has been a
11 motion to move Exhibits 12 and 13. Any objection?

12 MR. CARVER: On Exhibit 13, I don't have an
13 objection, but I just wanted it to be identified as a single
14 page from the document, because I don't believe we were
15 provided with the entire document. So I would just like
16 that to be clear in the record.

17 COMMISSIONER DEASON: Yes, it is a single page.
18 Show then Exhibits 12 and 13 are also admitted.

19 (Exhibits 11, 12, and 13 received into evidence.)

20 * * * * *

21 (Transcript continues in sequence with Volume 2.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)


CERTIFICATE OF REPORTER

3 I, JANE FAUROT, RPR, Chief, FPSC Bureau of
4 Reporting FPSC Commission Reporter,

5 DO HEREBY CERTIFY that the hearing in Docket
6 No. 991834-TP and 990321-TP was heard by the Florida
Public Service Commission at the time and place herein
stated; it is further

7 CERTIFIED that I stenographically reported
8 the said proceedings; that the same has been
9 transcribed by me; and that this transcript, Volume
10 1, pages 1 through 184, constitutes a true
transcription of my notes of said proceedings
and the insertion of the prescribed prefiled
testimony of the witnesses.

11 DATED this 18th day of January, 2000.

12 
13 _____
14 JANE FAUROT, RPR
15 FPSC Division of Records & Reporting
16 Chief, Bureau of Reporting

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