

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 2

Pages 185 through 349

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PROCEEDINGS: HEARING

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

DATE: Wednesday, January 12, 2000

TIME: Commenced 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.)

I N D E X

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P R O C E E D I N G S

(Transcript follows in sequence from Volume 1.)

COMMISSIONER DEASON: BellSouth, you may call your next witness.

MS. WHITE: Yes. BellSouth calls Keith Milner. Thereupon,

W. KEITH MILNER

was called as a witness on behalf of BellSouth Telecommunications, Inc. and, having been duly sworn, testified as follows:

D I R E C T E X A M I N A T I O N

BY MS. WHITE:

Q Mr. Milner, by whom are you employed -- I'm sorry.

Would you please state your name and address for the record.

A My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia.

Q By whom are you employed and in what capacity?

A I am employed by BellSouth Telecommunications, Incorporated as Senior Director, Interconnection Services.

Q Have you caused to be prepared and prefiled in this case direct testimony consisting of 47 pages as well as an exhibit to your direct testimony labeled WKM-1, and rebuttal testimony consisting of 38 pages and no exhibits?

1 A That is correct.

2 Q Do you have any changes, additions, or deletions
3 to your direct or rebuttal testimony or your exhibit at this
4 time?

5 A No.

6 Q If I were to ask you the same questions today
7 that are contained in your prefiled direct and rebuttal
8 testimony, would your answers be the same?

9 A Yes, they would.

10 MS. WHITE: Commissioner Deason, I would ask that
11 the witness' direct and rebuttal testimony be entered into
12 the record as if read.

13 COMMISSIONER DEASON: Without objection they
14 shall be so inserted.

15 MS. WHITE: And I would ask that the exhibit
16 labeled WKM-1 to Mr. Milner's direct testimony be
17 identified.

18 COMMISSIONER DEASON: It will be identified as
19 Exhibit 14.

20 (Exhibit Number 14 marked for identification.)

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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF W. KEITH MILNER
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NOS. 981834-TP and 990321-TP

October 28, 1999

Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC.

A. My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am Senior Director - Interconnection Services for BellSouth Telecommunications, Inc. ("BellSouth"). I have served in my present role since February 1996 and have been involved with the management of certain issues related to local interconnection, resale, and unbundling.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. My business career spans over 29 years and includes responsibilities in the areas of network planning, engineering, training, administration, and operations. I have held positions of responsibility with a local exchange telephone company, a long distance company, and a research and development laboratory. I have extensive experience in all phases of telecommunications network planning, deployment, and operation

1 (including research and development) in both the domestic and
2 international arenas.

3
4 I graduated from Fayetteville Technical Institute in Fayetteville, North
5 Carolina in 1970 with an Associate of Applied Science in Business
6 Administration degree. I also graduated from Georgia State University in
7 1992 with a Master of Business Administration degree.

8
9 Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC
10 SERVICE COMMISSION? IF SO, BRIEFLY DESCRIBE THE SUBJECT
11 OF YOUR TESTIMONY.

12
13 A. I testified before the state Public Service Commissions in Alabama,
14 Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina, the
15 Tennessee Regulatory Authority, and the Utilities Commission in North
16 Carolina on the issues of technical capabilities of the switching and
17 facilities network regarding the introduction of new service offerings,
18 expanded calling areas, unbundling, and network interconnection.

19
20 Q. PLEASE DESCRIBE THE PURPOSE AND ORGANIZATION OF YOUR
21 TESTIMONY BEING FILED TODAY?

22
23 A. My testimony will address collocation issues identified by the Florida
24 Public Service Commission's Staff resulting from the Competitive Carrier's
25 and ACI Corporation's petitions for a generic collocation proceeding and

1 establishment of procedures and consolidation of Docket Nos. 981834-TP
2 and 990321-TP. Specifically, I will address issues 3-4, 9-12, 16, and 20.

3

4 Q. WHAT IS BELLSOUTH'S BASIC POSITION REGARDING THE ISSUES
5 DISCUSSED BETWEEN BELLSOUTH AND PARTIES OF RECORD IN
6 THIS PROCEEDING REGARDING COLLOCATION?

7

8 A. Because the overall purpose of the 1996 Act is to open
9 telecommunications markets to competition, facilities, such as collocation,
10 are available as a result of the obligations imposed upon BellSouth under
11 Sections 251 and 252 and as a result of the FCC's Order and this
12 Commission's orders in the arbitration proceedings between BellSouth
13 and certain Alternative Local Exchange Carriers (ALECs). BellSouth has
14 worked in good faith to fulfill its obligations. BellSouth stands ready to
15 provide all of the items in both its interconnection agreements and
16 collocation agreements with ALECs.

17

18 Q. PLEASE SUMMARIZE THE COLLOCATION REQUIREMENTS PLACED
19 ON INCUMBENT LOCAL EXCHANGE CARRIERS ("ILECs") BY THE
20 TELECOMMUNICATIONS ACT OF 1996 ("ACT").

21

22 A. Section 251(c)(6) of the Act establishes "The duty to provide, on rates,
23 terms, and conditions that are just, reasonable, and nondiscriminatory, for
24 physical collocation of equipment necessary for interconnection or access
25 to unbundled network elements at the premises of the local exchange

1 carrier, except that the carrier may provide for virtual collocation if the
2 local exchange carrier demonstrates to the State commission that
3 physical collocation is not practical for technical reasons or because of
4 space limitations.”

5
6 Q. PLEASE SUMMARIZE THE PHYSICAL COLLOCATION
7 REQUIREMENTS THE FCC PLACED ON ILECs IN FCC'S FIRST
8 REPORT AND ORDER 96-325.

9
10 A. Generally, the FCC's First Report and Order 96-325 requires Incumbent
11 Local Exchange Carriers (ILECs) to:

- 12 1. Offer physical collocation, with the collocater paying for central office
13 floorspace.
- 14 2. Provide space to interested parties on a first-come first-served basis.
- 15 3. Provide virtual collocation when space for physical collocation is
16 exhausted.

17
18 Q. DOES BELLSOUTH MEET EACH OF THESE REQUIREMENTS?

19
20 A. Yes. First, as of September 21, 1999, in Florida, BellSouth had
21 provisioned 208 physical collocation arrangements with an additional 167
22 in progress and has provisioned 113 virtual collocation arrangements with
23 an additional 24 in progress. Elsewhere across BellSouth's nine-state
24 region during this same time, 419 physical collocation arrangements were
25 provisioned with an additional 409 in progress and 277 virtual collocation

1 arrangements were provisioned with an additional 46 in progress.
2 BellSouth offers collocation at the same cost-based rates as this
3 Commission determined at an earlier arbitration. Second, BellSouth's
4 policy is to offer space on a first-come, first-served basis. Third, BellSouth
5 offers virtual collocation as a collocator's first choice rather than only when
6 space for physical collocation is exhausted. In other words, a collocator
7 may request and BellSouth will provide virtual collocation even in those
8 BellSouth central offices which can accommodate physical collocation
9 because space is not exhausted. Thus, BellSouth has met all the
10 requirements set out in the FCC's First Report and Order.

11

12 Q. PLEASE SUMMARIZE THE COLLOCATION REQUIREMENTS THE FCC
13 PLACED ON ILECs IN ITS RECENT ORDER FCC 99-48 ISSUED
14 MARCH 31, 1999.

15

16 A. In its Order, the FCC placed new requirements on incumbent LECs.

17 These new requirements include the following:

- 18 • Allow shared cage collocation.
- 19 • Allow "cageless" collocation.
- 20 • When space is not available for physical collocation, allow collocation
21 in adjacent Controlled Environmental Vaults (CEVs) and similar
22 structures to the extent technically feasible.
- 23 • Allow collocation of all types of equipment used or useful for
24 interconnection or access to unbundled network elements (UNEs).
- 25 • Allow requesting parties to tour central offices after having been

1 informed that space is not available to accommodate request for
2 physical collocation.

- 3 • Provide lists of central offices within which no space is available for
4 physical collocation.
- 5 • Remove obsolete, unused (retired) equipment in order to
6 accommodate requests for physical collocation.
- 7 • Allow a collocator access to its equipment with the same level of
8 security as that of an ILEC.
- 9 • Allow a collocator direct access to its equipment without the
10 requirement for a physical separation between the collocator's
11 equipment and the equipment of other collocators or the equipment of
12 the ILEC.
- 13 • Allow a collocator to place as little as a single rack of equipment in its
14 collocation arrangement.
- 15 • Allow any other collocation arrangement that has been made available
16 by another ILEC unless the ILEC rebuts before the State commission
17 the presumption that such an arrangement is technically feasible.

18

19 Q. DOES BELLSOUTH MEET EACH OF THESE REQUIREMENTS?

20

21 A. Yes. In the following paragraphs, I discuss each of the collocation issues
22 identified in this proceeding, and I will explain how BellSouth's policies are
23 consistent with the requirements of the FCC's Order.

24

25 Q. WHO DETERMINES WHERE IN THE BELLSOUTH CENTRAL OFFICE A

1 GIVEN COLLOCATOR'S ARRANGEMENT IS PLACED?

2

3 A. BellSouth will assign space to an ALEC within the central office, as
4 opposed to allowing the ALEC to simply select space in a potentially
5 inefficient manner. The FCC's Order made clear that the intent underlying
6 the new collocation rules is to allow ALECs access to collocation space
7 without artificially increasing their costs or delaying their time of entry.
8 BellSouth interprets the rule to continue to permit ILECs to establish
9 reasonable space assignments within a central office to ensure that space
10 is efficiently used consistent with this intent.

11

12 Q. WHAT FACTORS ARE CONSIDERED BY BELLSOUTH IN ASSIGNING
13 SPACE WITHIN THE CENTRAL OFFICE?

14

15 A. There are numerous technical factors that must be considered in
16 determining where within a BellSouth central office physical collocation of
17 an ALEC's equipment should occur such as:

18

19 ● **Overall cable length:** Cable congestion and related expense can be
20 avoided or at least minimized by careful consideration of existing and
21 future equipment requirements of both the collocating ALEC and
22 others that have or will later collocated there. Orderly equipment
23 growth, *i.e.*, grouping like equipment together, allows economic
24 efficiencies while reducing excessive cable rack congestion and
25 resultant re-routing of cables.

- 1 ● **Distance between related equipment:** Some equipment
2 components, *e.g.*, switch call processors, must be placed so that cable
3 length between the components does not exceed a pre-determined
4 amount.
- 5 ● **Grouping of equipment into families of equipment:** Families of
6 equipment, *e.g.*, switching equipment or transmission equipment, must
7 be placed together for technical reasons such as electrical grounding,
8 which is discussed next, as well as to maximize the contiguous space
9 within a given central office recovered when existing equipment is
10 replaced by more modern equipment. Having all equipment located in
11 the same part of the central office allows the recovery of larger
12 “blocks” of floorspace rather than smaller parcels of floorspace
13 interspersed among other racks of equipment.
- 14 ● **Electrical grounding requirements:** Switching equipment typically
15 requires an “isolated grounding” source while transmission equipment
16 typically requires an “integrated grounding” source. Safety codes
17 require that equipment served by different grounding sources be
18 physically separated in order to avoid technicians receiving electrical
19 shocks or being electrocuted because they simultaneously contact
20 dissimilar grounding sources.
- 21 ● **“Holes” in existing equipment line-ups:** “Holes” in equipment line-
22 ups are spaces intentionally left empty to accommodate future growth
23 and still assure adherence to the principles described above. In some
24 cases, cables and framework are modular in nature and economic
25 efficiency results from pre-assembly and provision of such cables and

1 framework.

2

3 BellSouth believes that consideration of these factors as part of
4 BellSouth's space assignment process will not increase the ALECs' cost
5 of collocating, nor delay its placement of equipment in the central office.
6 The end result will be the most effective use of available space by all
7 parties.

8

9 Q. DOES BELLSOUTH OFFER SHARING OF COLLOCATION CAGES
10 BETWEEN TWO OR MORE CARRIERS?

11

12 A. Yes. Even before the FCC issued its recent Order, BellSouth's policy was
13 to allow the sharing of collocation arrangements between two or more
14 carriers in those cases where space is unavailable for physical
15 collocation. The FCC's Order goes beyond BellSouth's earlier offer and
16 requires sharing of collocation "cages" without the precondition of a space
17 exhaust situation. BellSouth complies with this requirement.

18

19 Q. WHAT IS MEANT BY THE TERM "CAGELESS" COLLOCATION?

20

21 A. The FCC's recent Order does not specifically define "cageless"
22 collocation. In paragraph 42, however, it may be implied that what the
23 FCC refers to as "cageless" collocation is met by the requirement that
24 "incumbent LECs must allow competitors to collocate in any unused
25 space in the incumbent LEC's premises, without requiring the construction

1 of a room, cage, or similar structure, and without requiring the creation of
2 a separate entrance to the competitor's collocation space." While there is
3 no industry accepted definition of this term, heretofore BellSouth has used
4 the term "cageless" collocation to mean a physical collocation
5 arrangement that is not separated by walls or other structures from the
6 physical collocation arrangements of other collocators. However,
7 BellSouth retains its right to take reasonable steps to protect its own
8 equipment including enclosing the equipment in its own cage.

9

10 Q. WHY IS BELLSOUTH ALLOWED TO HAVE A WALL OR SIMILAR
11 STRUCTURE SEPARATING ITS EQUIPMENT FROM EQUIPMENT OF
12 OTHER COLLOCATORS?

13

14 A. While the FCC's Order requires ILECs to make cageless collocation
15 arrangements available to requesting carriers, the Order also allows the
16 ILECs to take reasonable steps to protect its own equipment, such as
17 enclosing BellSouth's equipment in its own cage, and other security
18 measures as discussed later in this testimony.

19

20 Q. DOES BELLSOUTH PROVIDE CAGELESS COLLOCATION AND, IF SO,
21 WHAT TYPES OF CAGELESS COLLOCATION DOES BELLSOUTH
22 PROVIDE?

23

24 A. Yes. As I mentioned earlier, the FCC's recent Order did not specifically
25 define the term "cageless collocation." BellSouth believes the term to be

1 synonymous with the term "unenclosed physical collocation." BellSouth
2 provides cageless collocation where local building codes permit the
3 placement of unenclosed arrangements. These unenclosed
4 arrangements will be located in the area designated for physical
5 collocation within the BellSouth premise. There is no minimum square
6 footage requirement for unenclosed collocation space, which allows the
7 *collocator to request only the amount of space required for its equipment.*
8 This is consistent with the FCC's Order at Paragraph 43 requiring ILECs
9 to "...make collocation space available in single-bay increments...." In
10 Florida, as of October 20, 1999, BellSouth had provided 54 cageless
11 arrangements to ALECs with an additional 88 in progress.

12
13 Q. DOES BELLSOUTH BELIEVE THERE ARE MINIMUM SIZE
14 REQUIREMENTS FOR ENCLOSED ("CAGED") COLLOCATION
15 ARRANGEMENTS?

16
17 A. Yes. The applicable building codes and safety codes establish the
18 effective minimum square footage that must be provided in enclosed
19 collocation arrangements in addition to the floor space "footprint" of the
20 collocated equipment itself. Therefore, BellSouth is willing to allow
21 enclosed physical collocation without regard to minimum size so long as
22 applicable building and safety codes are met.

23
24 Q. DOES BELLSOUTH PROVIDE FOR ADJACENT COLLOCATION WHEN
25 SPACE FOR PHYSICAL COLLOCATION IS LEGITIMATELY

1 EXHAUSTED?

2

3 A. Yes. BellSouth meets the requirements of the FCC's Order pertaining to
4 those situations where space is not available for physical collocation.

5

6 Q. BY WHAT MEANS DOES BELLSOUTH PROVIDE ADJACENT
7 COLLOCATION IN CASES WHERE SPACE FOR PHYSICAL
8 COLLOCATION IS LEGITIMATELY EXHAUSTED?

9

10 A. BellSouth's policy is to allow collocators to construct or otherwise procure
11 Controlled Environmental Vaults (CEVs) and similar structures on
12 BellSouth's property in cases where space for physical collocation is
13 legitimately exhausted. The FCC's rules require BellSouth to
14 accommodate such a request to the extent technically feasible "...when
15 space is legitimately exhausted in a particular LEC premises...." FCC
16 Order in CC Docket 98-147, paragraph 44.

17

18 Q. WHAT IS A "CEV"?

19

20 A. The term "CEV" stands for Controlled Environmental Vault. It is a
21 separate, stand-alone structure containing equipment to regulate the
22 "environment" within it such as air temperature. The CEV, in some cases,
23 is buried with an entryway at ground level for ingress and egress. In this
24 context, the CEV is used to house telecommunications equipment outside
25 a central office building. It is called a vault because it is often constructed

1 of steel reinforced, poured concrete wall, floor, and ceiling members.

2

3 Q. DOES BELLSOUTH ALLOW COLLOCATORS TO PROCURE OR
4 OTHERWISE PROVIDE CEVs OR SIMILAR STRUCTURES ON
5 BELLSOUTH'S PROPERTY WHEN SPACE FOR PHYSICAL
6 COLLOCATION IS NOT LEGITIMATELY EXHAUSTED?

7

8 A. No. BellSouth believes it has no obligation to provide for such adjacent
9 collocation absent a legitimate space exhaust situation.

10

11 Q. DOES BELLSOUTH MEET THE FCC'S REQUIREMENT TO ALLOW
12 COLLOCATION OF ALL TYPES OF EQUIPMENT USED OR USEFUL
13 FOR INTERCONNECTION OR ACCESS TO UNBUNDLED NETWORK
14 ELEMENTS (UNEs)?

15

16 A. Yes. Paragraph 28 of the FCC's March 31, 1999 Order requires the
17 collocation of Digital Subscriber Line Access Multiplexers (DSLAMs),
18 routers, Asynchronous Transfer Mode (ATM) multiplexers, and Remote
19 Switching Modules (RSMs). BellSouth had heretofore allowed collocation
20 of all of these equipment types plus "stand-alone" switching equipment.
21 "Stand-alone" switching equipment is also referred to as "host" switching
22 equipment. The term "host" is a switching technology that provides the
23 capability to remotely serve customers via a Remote Switching Unit
24 (RSU), which is essentially an extension of the host switching system.
25 Given that the FCC's Order in paragraph 30 does not require collocation

1 of equipment used solely to provide enhanced services, BellSouth
2 believes it already is and has been in compliance with the FCC's
3 requirements.

4

5 Q. DOES BELLSOUTH ACCOMMODATE TOURS OF CENTRAL OFFICES
6 IN WHICH A REQUESTING PARTY HAS BEEN DENIED SPACE FOR
7 PHYSICAL COLLOCATION?

8

9 A. Yes. As this Commission is aware, BellSouth has hosted a number of
10 tours for parties who requested physical collocation in a given BellSouth
11 central office but were denied due to space exhaustion. The FCC's recent
12 rules require BellSouth to conduct such a tour within ten (10) days of the
13 denial of space. BellSouth asks simply that it be notified within five (5)
14 days of its denial of space that the denied party wishes a tour in order to
15 reach an agreeable date and time within the FCC's ten day "window".

16

17 Q. WHAT IS BELLSOUTH'S POLICY REGARDING PRODUCTION OF
18 LISTS OF CENTRAL OFFICES WITHIN WHICH SPACE IS NOT
19 AVAILABLE FOR PHYSICAL COLLOCATION?

20

21 A. BellSouth will maintain on its Interconnection Services website a
22 notification document indicating all central offices that are without space.
23 BellSouth will update this document within ten (10) business days of the
24 date of the first Denial of Application that causes space to become
25 exhausted. At BellSouth's Interconnection Services website, ALECs may

1 subscribe to an automatic e-mail notification process, which will include,
2 among other notices, a notice that the space exhaust list has been
3 updated. BellSouth will also post a document in its Interconnection
4 Services website that contains a general notice indicating where space
5 has become available in a central office previously on the space exhaust
6 list.

7
8 Q. WHAT IS BELLSOUTH'S POLICY REGARDING THE REMOVAL OF
9 OBSOLETE, UNUSED (RETIRED) EQUIPMENT IN ORDER TO
10 ACCOMMODATE REQUESTS FOR PHYSICAL COLLOCATION?
11

12 A. First of all, BellSouth believes the FCC intended to use the terms
13 "obsolete" and "unused" together to avoid disagreements regarding an
14 incumbent LEC's obligations to modernize its network to replace older
15 vintage but still functional equipment. BellSouth uses the term "retired" to
16 describe such equipment that is removed from accounting records. The
17 equipment is either physically removed or retired in place, if the cost of
18 removal is too high. Otherwise, a collocater might demand that the
19 incumbent LEC replace an analog switching system with a newer,
20 physically smaller, digital switch in order to free up space for physical
21 collocation. I do not believe this is what the FCC intended, or that such a
22 requirement makes economic sense. Thus, BellSouth believes its policy
23 heretofore is compliant with the FCC's rules in Order 99-48.
24

25 Q. DOES BELLSOUTH MEET THE FCC'S REQUIREMENT THAT PERMIT

1 COLLOCATORS DIRECT ACCESS TO ITS EQUIPMENT WITHOUT
2 BEING ESCORTED BY BELLSOUTH PERSONNEL AND WITHOUT THE
3 COLLOCATOR'S EQUIPMENT BEING PHYSICALLY SEPARATED BY A
4 WALL OR OTHER STRUCTURE FROM BELLSOUTH'S EQUIPMENT
5 OR THE EQUIPMENT OF OTHER ALECs?
6

7 A. Yes. The FCC's Order raises serious concerns that must be addressed in
8 order to retain the level of network reliability and security that currently
9 exists and which end user customers and regulators have come to expect.
10 BellSouth has addressed those concerns and is compliant with the FCC's
11 requirements. A simple reading of today's newspaper headlines reveals
12 the need for stringent control over the access to and operation of the
13 public telephone network. In order to provide reasonable security
14 measures, BellSouth requires all collocators' employees to undergo the
15 same level of security training, or its equivalent, that BellSouth's own
16 employees, or third party contractors providing similar functions, must
17 undergo. Each collocator must provide its employees with picture
18 identification, which must be worn and visible in the collocation space or
19 other areas in and around BellSouth's central offices. Collocators are
20 required to conduct an investigation of criminal history records for each of
21 the collocator's employees being considered for work within or upon
22 BellSouth's premises. Restrictions are imposed on a collocator's
23 employees with felony or misdemeanor criminal convictions. Also, as I
24 discussed earlier in this testimony, the FCC's Order provides for additional
25 security by allowing BellSouth to provide a cage around its own

1 equipment. Thus, BellSouth is in compliance with the security provisions
2 required by the FCC's Order.

3

4 Q. DOES BELLSOUTH MEET THE FCC'S REQUIREMENT TO ALLOW ANY
5 OTHER COLLOCATION ARRANGEMENT THAT HAS BEEN MADE
6 AVAILABLE BY ANOTHER ILEC UNLESS THE ILEC REBUTS BEFORE
7 THE STATE COMMISSION THE PRESUMPTION THAT SUCH
8 ARRANGEMENT IS TECHNICALLY FEASIBLE?

9

10 A. Yes. BellSouth evaluates all requests for new forms of collocation
11 arrangements it receives from collocators. This evaluation includes a
12 determination of likely costs given any equipment or work required to
13 effect such an arrangement, resultant levels of network security and
14 reliability and technical feasibility of access to interconnection and
15 unbundled network elements achieved via such an arrangement.
16 BellSouth informs the requesting collocator of the results of BellSouth's
17 analysis. BellSouth preserves its rights without waiver, however, to rebut
18 the FCC's presumption of technical feasibility before this Commission for
19 those proposed arrangements which, while available from another ILEC,
20 BellSouth believes to be not technically feasible.

21

22 **Issue 3: To what areas does the term "premises" apply, as it pertains to**
23 **physical collocation and as it is used in the Act, the FCC's Orders, and FCC**
24 **Rules?**

25

1 Q. WHAT IS YOUR UNDERSTANDING OF THE FCC'S DEFINITION OF
2 THE TERM "PREMISES" AND IN WHAT AREAS DOES IT APPLY?

3

4 A. The Telecommunications Act of 1996 does not provide a definition for the
5 term "premises", nor is the term discussed in the legislative history. In the
6 FCC's Order 96-325, the FCC defined the term "premises" as follows:

7 We therefore interpret the term 'premises' broadly to include LEC
8 central offices, serving wire centers and tandem offices, as well as
9 all buildings or similar structures owned or leased by the incumbent
10 LEC that house LEC network facilities. We also treat as incumbent
11 LEC premises any structures that house LEC network facilities on
12 public rights-of-way, such as vaults containing loop concentrators
13 or similar structures. [Paragraph 573]

14

15 I believe that if the FCC intended to broaden its definition, it could have
16 done so in its recent Order. It did not do so, instead the FCC would
17 permit "the new entrant to construct or otherwise procure such an
18 adjacent structure, subject only to reasonable safety and maintenance
19 requirements."

20

21 Q. DO ADJACENT CEVs OR SIMILAR STRUCTURES FIT THE FCC'S
22 DEFINITION OF THE TERM ILEC "PREMISES"?

23

24 A. No. This is not a situation about legitimate space exhaustion but is a
25 situation about allowing ALECs' structures on property that does not

1 house LEC network facilities. The FCC's definition of adjacent CEVs and
2 similar structures is inconsistent with its own definition of "premises" and
3 the Act's requirement for collocation within BellSouth's premises. This is
4 because the resulting structure, whether constructed by the collocator or
5 otherwise procured, would not be owned by BellSouth and thus would not
6 fit the definition of being any one of the types of structures named in the
7 FCC's definition; specifically, "LEC central offices, serving wire centers
8 and tandem offices, as well as all buildings or similar structures owned or
9 leased by the incumbent LEC that house LEC network facilities." Further,
10 the resultant structure constructed or otherwise procured by the collocator
11 (that is, the adjacent CEV or similar structure) would not fit the FCC's
12 definition because it would not house BellSouth's "network facilities." To
13 summarize, CEVs and similar structures are located on BellSouth's
14 property but are not BellSouth's "premises" because the adjacent CEVs
15 and similar structures are not BellSouth's and the equipment housed
16 within the adjacent CEV or similar structure is not part of BellSouth's
17 network facilities.

18
19 Q. HAVE OTHER PARTIES SOUGHT TO FURTHER BROADEN THE FCC'S
20 DEFINITION OF THE TERM "PREMISES"?

21
22 A. Yes. Some parties have suggested that buildings housing BellSouth's
23 administrative or other support personnel and which are on parcels of land
24 adjacent to or near BellSouth's central offices should likewise be
25 considered "premises" under the FCC's definition. Since these buildings

1 do not house network facilities (that is, switches or transmission
2 equipment, for example), they are not subject to requirements for
3 collocation.

4

5 Q. WHAT IS BELLSOUTH'S POSITION WHEN A COLLOCATOR WANTS
6 TO CONSTRUCT A CEV IN A LOCATION WHERE THERE IS NO CO?

7

8 A. BellSouth believes it has no obligation to permit a collocator to construct
9 or otherwise procure a CEV or similar structure except where space for
10 physical collocation is legitimately exhausted. BellSouth believes that, in
11 no case, must BellSouth be required to permit collocators' CEVs or similar
12 structures to be placed on BellSouth's property other than those housing
13 network facilities and only in situations where there is space exhaustion
14 within that type of property.

15

16 Q. HOW DOES BELLSOUTH WANT THE COMMISSION TO RESOLVE
17 THIS ISSUE?

18

19 A. This Commission should affirm that the definition as set forth in the
20 Telecommunications Act of 1996 and the FCC's rules are sufficiently
21 broad and that CEVs and similar structures provided by collocators should
22 not be allowed on property that does not house LEC network facilities.
23 Additionally, BellSouth has no obligation to provide for adjacent
24 collocation absent a legitimate space exhaust situation.

25

1 **Issue 4: What obligations, if any, does an ILEC have to interconnect with**
2 **ALEC physical collocation equipment "off-premises"?**

3

4 Q. WHAT IS BELLSOUTH'S BASIC POSITION REGARDING THE TYPE OF
5 ALEC-OWNED OR ALEC-LEASED ENTRANCE FACILITIES AN ALEC
6 MAY PLACE IN ITS COLLOCATION SPACE OR USE TO CONNECT
7 BELLSOUTH'S PREMISES WITH A NEARBY PREMISES AT WHICH
8 THE ALEC IS COLLOCATED?

9

10 A. First of all, my understanding is that an ALEC's equipment within its own
11 central office would not fit the definition of ALEC physical collocation
12 equipment "off-premises". Instead, I believe "off-premises" physical
13 collocation is a reference to space an ALEC may rent or own that is in
14 proximity to a BellSouth central office. The ALEC's equipment in such a
15 situation would be interconnected to BellSouth's network in the same
16 ways as if the ALEC's equipment were housed within the ALEC's central
17 office. ALECs have suggested that they be allowed to bring copper
18 cables through BellSouth's entrance facilities in order to interconnect with
19 BellSouth's network. The trend in the telecommunications industry is for
20 cables and equipment to be reduced in size, not increased in size. For
21 example, yesterday's 3,600 pair copper cable required its own four inch
22 conduit. The capacity provided by that copper cable could now easily be
23 provided by a fiber optic cable, which is a little more than one-half inch in
24 diameter, an eight-fold reduction. Accommodation of ALECs' requests to
25 used BellSouth's entrance facilities to bring new copper cables into

1 BellSouth's central offices would accelerate the exhaust of entrance
2 facilities at its central offices at an unacceptable rate, as compared to
3 current technologies such as fiber optic cable.

4
5 Q. HAS THE FCC TAKEN A POSITION REGARDING A LOCAL
6 EXCHANGE COMPANY'S OBLIGATIONS TO PROVIDE FOR SUCH
7 NON-FIBER OPTIC FACILITIES?

8
9 A. Yes, the FCC's First Report and Order in CC Docket 96-98, August 8,
10 1996, Paragraph 565, adopted the existing Expanded Interconnection
11 requirements, with some modifications, as the rules applicable for
12 collocation under section 251 of the Telecommunications Act of 1996.
13 More specifically, this issue was addressed in the FCC's Second Report
14 and Order, In the Matter of Expanded Interconnection with Local
15 Telephone Company Facilities in CC Docket 91-141, Transport Phase I,
16 released September 2, 1993. Paragraph 69 of that Report and Order
17 states: "LECs are not required to provide expanded interconnection for
18 switched transport for non-fiber optic cable facilities (e.g., coaxial cable).
19 In the Special Access Order, we [that is, the FCC] concluded that given
20 the potential adverse effects of interconnection on the availability of
21 conduit or riser space, interconnection should be permitted only upon
22 Common Carrier Bureau approval of a showing that such interconnection
23 would serve the public interest in a particular case. We adopt this
24 approach for switched transport expanded interconnection."
25

1 Further, the FCC's Report and Order, In the Matter of Expanded
2 Interconnection with Local Telephone Company Facilities, CC Docket 91-
3 141, Released October 19, 1992 at Paragraph 99 states: "At least one
4 party supported interconnection of non-fiber optic cable facilities (e.g.,
5 copper coaxial cable) provided by third parties. A number of the LECs,
6 however, have argued that such a requirement is undesirable because it
7 would make limited conduit and riser space available to technologies that
8 are much less space efficient than fiber. Given the potential adverse
9 effects of such interconnection on the availability of conduit and riser
10 space, we [that is, the FCC] believe that interconnection of non-fiber optic
11 cable should be permitted only upon Commission approval of a showing
12 that such interconnection would serve the public interest in a particular
13 case."

14
15 Q. HOW DOES BELLSOUTH WANT THE COMMISSION TO RESOLVE
16 THIS ISSUE?

17
18 A. This Commission should affirm that, consistent with the FCC's Rules in
19 CC Dockets 96-98 and 91-141, BellSouth is not required to accommodate
20 requests for non-fiber optic facilities placed in BellSouth's entrance
21 facilities.

22
23 **Issue 9: What is the appropriate demarcation point between ILEC and**
24 **ALEC facilities when the ALEC's equipment is connected directly to the**
25 **ILEC's network without an intermediate point of interconnection?**

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Q. THE FCC'S ORDER INDICATES THAT AN INCUMBENT LEC MAY NOT REQUIRE COMPETITORS TO USE AN INTERMEDIATE INTERCONNECTION ARRANGEMENT IN LIEU OF DIRECT CONNECTION TO THE INCUMBENT LEC'S NETWORK IF TECHNICALLY FEASIBLE. WHAT IS YOUR REACTION?

A. BellSouth will designate the point(s) of interconnection between the ALEC's equipment and/or network and BellSouth's network. Each party will be responsible for maintenance and operation of all equipment/facilities on its side of the demarcation point. For 2-wire and 4-wire connections to BellSouth's network, the demarcation point shall be a common block on the BellSouth designated conventional distributing frame. The ALEC shall be responsible for providing, and the ALEC's BellSouth Certified Vendor shall be responsible for installing and properly labeling/stenciling, the common block and necessary cabling pursuant to the established construction and provisioning interval. For all other terminations BellSouth shall designate a demarcation point on a per arrangement basis. The ALEC or its agent must perform all required maintenance to equipment/facilities on its side of the demarcation point and may self-provision cross-connects that may be required within the collocation space to activate service requests. At the ALEC's option, a Point of Termination (POT) bay or frame may be placed in the collocation space, but this POT bay will not serve as the demarcation point.

1 Q. HOW DOES BELLSOUTH WANT THE COMMISSION TO RESOLVE
2 THIS ISSUE?

3

4 A. This Commission should affirm BellSouth's position on appropriate
5 demarcation point between ILEC and ALEC facilities when the ALEC's
6 equipment is connected directly to the ILEC's network without an
7 intermediate point of interconnection as set out above.

8

9 **Issue 10: What are reasonable parameters for reserving space for future**
10 **LEC and ALEC use?**

11

12 Q. PLEASE COMMENT ON BELLSOUTH'S SPACE UTILIZATION
13 STANDARDS.

14

15 A. In its First Report and Order, the FCC ruled that "restrictions on
16 warehousing of space by interconnectors are appropriate. Because
17 collocation space on incumbent LEC premises may be limited, inefficient
18 use of space by one competitive entrant could deprive another entrant of
19 the opportunity to collocate facilities or expand existing space." CC 96-
20 325, at Paragraph 586. The FCC also provides that "Incumbent LECs
21 may not ... reserve space for future use on terms more favorable than
22 those that apply to other telecommunications carriers seeking to hold
23 collocation space for their own future use." CC 96-325, at Paragraph 604.

24

25 BellSouth applies to ALECs the same standards it applies to itself

1 regarding the reservation of space. ALECs may reserve space for a two-
2 year total forecast. If it is apparent the space will not be utilized and
3 BellSouth has a need for the space for itself or for another interconnector
4 following the expiration of the two-year period, the ALEC must forfeit the
5 use of that space. Likewise, BellSouth will forfeit any of its reserved
6 space that will not be used within the two-year window if needed by an
7 ALEC.

8
9 Q. PLEASE EXPLAIN BELLSOUTH'S PROCESS FOR DETERMINING
10 PROJECTED EQUIPMENT REQUIREMENTS?

11
12 A. Currently, BellSouth projects equipment requirements for the next 12 to
13 18 months based on the actual demand of the past 12 to 18 months.
14 BellSouth uses the geographically based forecast of network access line
15 demand to determine the line peripherals required and relies heavily upon
16 the recent trend of trunk demand to project the trunk peripherals required.
17 BellSouth uses its professional judgment and experience in applying the
18 trended forecast to the equipment requirements when it is aware of an
19 unusual occurrence that has, or will, take place. A change from the past
20 is that BellSouth is deploying hardware equipment to last approximately
21 18 months and deploying the expensive electronics or plug-ins as demand
22 occurs, which is approximately every six months in volatile access tandem
23 switches. This allows BellSouth to economically and quickly respond to
24 interconnecting customer demand. In the past, because there was little
25 data traffic on the voice network, BellSouth was able to correlate the trunk

1 demand to the access line growth, and provision trunks on a similar
2 growth pattern. BellSouth would provision equipment for a planned 24 to
3 36 month period.

4

5 Q. EXPLAIN THE PROCESS THAT CAPACITY MANAGERS USE TO
6 DETERMINE THE EQUIPMENT REQUIREMENTS FOR ACCESS
7 TANDEMS.

8

9 A. The access tandems provide for interconnection to other carrier networks.
10 These switches are the primary points of interconnection with other
11 carriers - interexchange carriers, wireless carriers, ALECs, and other
12 independent companies. It is critical that BellSouth be able to continue
13 equipment growth in these switches in order to allow traffic to traverse
14 from one carrier's network to another. In the South Florida area, the
15 Switch Capacity Manager (SCM) trends the projection of trunks based on
16 the most recent actual demand. In the North Florida area, the Circuit
17 Capacity Manager (CCM) determines the trunk projection and provides
18 the required circuit quantities to the SCM. Although the organizational
19 responsibility for projecting trunk requirements is different, the end product
20 is the same - a circuit quantity forecast (expressed in DS-1s) of switch
21 terminations required. Trunk demand on the BST access tandems is
22 driven by interconnection to the other carriers' networks, as well as from
23 BellSouth's local switches to provide end users' access to other
24 interconnect providers. When there is no forecast provided by these
25 carriers, trending is used.

1

2 Q. EXPLAIN THE PROCESS THAT CAPACITY MANAGERS USE TO
3 DETERMINE THE EQUIPMENT REQUIREMENTS FOR LOCAL
4 SWITCHES.

5

6 A. The local switch provides service to the end users within the specified
7 geographical boundaries of the wire center (central office). The
8 equipment demand is driven by access line requirements, trunk
9 requirements, and value-added services. For line requirements, the SCM
10 receives a geographically based forecast of the number of lines projected
11 for growth. The outside plant Loop Capacity Manager receives the same
12 forecast and then forecasts the feeder growth to be served on digital
13 systems that will be integrated into the switch, and the associated access
14 line count. This is based on his/her knowledge of the outside plant
15 distribution growth strategy. This forecast is provided to the SCM who
16 calculates the remaining analog access line requirement from the overall
17 access line projection. For trunk requirements, the projection is based on
18 trending the most recent actual demand. Due to the recent volatility of
19 local trunking demand driven especially by Internet service provider
20 access and PRI-ISDN (Primary Rate Interface-Integrated Services Digital
21 Network) hubbing arrangements, the interoffice trunk requirements are
22 trended. The SCM or CCM determines those requirements, and the SCM
23 turns them into trunk equipment needs. The SCM's requirements and
24 projections are trued up based on historical data and his/her knowledge of
25 unusual activities. In addition, the SCM considers services to be provided

1 such as caller ID, calling name delivery, and other value-added services
2 and determines the equipment requirements to satisfy all those demands.

3

4 Q. EXPLAIN THE PROCESS THAT CAPACITY MANAGERS USE TO
5 DETERMINE THE EQUIPMENT REQUIREMENTS FOR TOPS (TRAFFIC
6 OPERATOR POSITION SYSTEMS) SWITCHES.

7

8 A. TOPS switches provide for operator services requirements. The demand
9 for equipment is driven by the need to expand or modernize the operator
10 services network, which sometimes requires the replacement of some
11 older technology with newer technology. These requirements are planned
12 by BellSouth's Operator Services organization. The requirements are
13 provided to the SCM, who places the equipment order on the vendor and
14 oversees the implementation of the project.

15

16 Q. EXPLAIN THE PROCESS THAT CAPACITY MANAGERS USE TO
17 DETERMINE THE EQUIPMENT REQUIREMENTS FOR SIGNAL
18 TRANSFER POINT (STP) AND SERVICE CONTROL POINT (SCP)
19 SYSTEMS.

20

21 A. The function of a STP is to provide the SS7 signaling necessary to
22 complete calls across the network. The SCPs are databases that contain
23 information regarding features and services in the network (for example,
24 calling name, LIDB (line information database used to validate 0+ credit
25 card calls)). These switches are planned by BellSouth's Regional

1 Planning and Engineering Center (RPEC), a regional center that monitors
2 the capacity, plans relief, orders equipment, and provides the frame
3 requirements to the Common Systems Capacity Manager.

4
5 Q. EXPLAIN THE PROCESS THAT CIRCUIT CAPACITY MANAGERS USE
6 TO DETERMINE THE EQUIPMENT REQUIREMENTS FOR THE
7 INTEROFFICE NETWORK.

8
9 A. Circuit Capacity Managers (CCMs) oversee the interoffice trunking
10 network and plan the associated equipment requirements. In projecting
11 future equipment requirements, the CCM identifies the need for additional
12 test access, metallic repeater equipment, Synchronous Optical NETWORK
13 (SONET) equipment, digital cross-connect system growth, and associated
14 cross-connect panels. The CCM considers interoffice message trunk
15 growth, ISP (Internet Service Provider) trunk growth, interexchange carrier
16 and ALEC trunk requirements. The CCM must also consider the
17 expected growth for customer-driven SONET-based smart rings as well as
18 interoffice SONET rings. The CCM is also an interface to the outside
19 plant capacity manager, who provides requirements to them on the
20 placement of equipment in this area for next-generation digital loop carrier
21 equipment, loop multiplexers and fiber distribution frames. The CCM
22 considers all of the above requirements and when they are requested,
23 they provide the Common Systems Capacity Manager with an estimated
24 equipment requirement.

25

1 Q. EXPLAIN THE PROCESS THAT POWER CAPACITY MANAGERS USE
2 TO DETERMINE THE EQUIPMENT REQUIREMENTS FOR DC POWER
3 AND ALTERNATE ENGINES.

4

5 A. Power Capacity Managers (PCMs) project the growth of Direct Current
6 (DC) power equipment and alternate standby engines. DC power
7 equipment needs for rectifiers and batteries are identified by an outside
8 vendor and provided to the PCM. The PCM plans the replacement and
9 upgrade of optional standby engines.

10

11 Q. EXPLAIN THE PROCESS THAT COMMON SYSTEMS CAPACITY
12 MANAGERS USE TO RESERVED SPACE FOR CENTRAL OFFICE
13 EQUIPMENT.

14

15 A. The Common Systems Capacity Manager (CSCM) ensures that all
16 installed equipment is properly designated on the floor plan, outstanding
17 equipment orders for additional equipment, as well as equipment to be
18 removed, are reflected and space for future equipment projections is
19 reserved.

20

21 Q. WHY DOES BELLSOUTH UTILIZE THIS PROCESS FOR
22 DETERMINING EQUIPMENT REQUIREMENTS AND FLOOR SPACE
23 REQUIREMENTS?

24

25 A. This process ensures that the various types of equipment are

1 appropriately forecasted for future growth, that capital investment is
2 effectively utilized, and that central office space is efficiently utilized both
3 for BellSouth's needs and all collocators' needs. This process allows
4 BellSouth to provide timely customer service to local end users and
5 interconnecting customers.

6
7 Q. HOW DOES BELLSOUTH WANT THE COMMISSION TO RESOLVE
8 THIS ISSUE?

9
10 A. This Commission should affirm BellSouth's position on reasonable
11 parameters for reserving space for future BellSouth and ALEC use as set
12 out above.

13
14 **Issue 11: Can generic parameters be established for the use of**
15 **administrative space by an ILEC, when the ILEC maintains that there is**
16 **insufficient space for physical collocation? If so, what are they?**

17
18 Q. WHAT IS ADMINISTRATIVE SPACE AND HOW IS IT CONSIDERED IN
19 ALLOCATING SPACE?

20
21 A. Administrative space inside the central office is any space not directly
22 supporting the installation or repair of both telephone equipment and
23 customer service. Examples of this space are storerooms, break rooms,
24 shipping-receiving rooms, and training areas. These rooms are
25 necessary to meet code, life safety, or contractual requirements.

1 Administrative space can also include regular office space used by work
2 groups performing company functions outside of the equipment support
3 described above. BellSouth allocates space to these types of
4 administrative groups in response to changes in the regulatory
5 environment, increases or decreases in company manpower
6 requirements, or in response to new service offerings.

7

8 Q. CAN GENERIC PARAMETERS BE ESTABLISHED? IF NOT, WHY?

9

10 A. No, because there are different space, equipment, building code,
11 manpower, and other requirements unique to each central office. Not only
12 do these central offices house telecommunications equipment (including
13 switching, transmission, power, and ancillary equipment) but also the
14 people, tools, and computers, used to administer, provision, maintain, and
15 repair such telecommunications equipment.

16

17 While ALECs may argue that some or all of these purposes are not
18 "indispensable" and argue that BellSouth must relocate or dispose of
19 administrative space, employee break rooms and the like, all of these
20 constitute productive use of floor space.

21

22 Q. HOW DOES BELLSOUTH WANT THE COMMISSION TO RESOLVE
23 THIS ISSUE?

24

25 A. This Commission should affirm BellSouth's position on the use of

1 administrative space by an ILEC, when the ILEC maintains that there is
2 insufficient space for physical collocation as set out above.

3

4 **Issue 12: What types of equipment are the ILECs obligated to allow in a**
5 **physical collocation arrangement?**

6

7 Q. THE FCC'S RULES REQUIRE THAT ILECS ALLOW ALL EQUIPMENT
8 USED OR USEFUL FOR INTERCONNECTION OR ACCESS TO UNES
9 TO BE COLLOCATED. WHAT TYPE OF EQUIPMENT DOES THE
10 FCC'S RECENT ORDER SPECIFICALLY REQUIRE?

11

12 A. Paragraph 28 of the FCC's March 31, 1999 Order requires the collocation
13 of Digital Subscriber Line Access Multiplexers (DSLAMs), routers,
14 Asynchronous Transfer Mode (ATM) multiplexers, and Remote Switching
15 Modules (RSMs). BellSouth had heretofore allowed collocation of all of
16 these equipment types plus "stand-alone" switching equipment. "Stand-
17 alone" switching equipment is also referred to as "host" switching
18 equipment. The term "host" is a switching technology that provides the
19 capability to remotely serve customers using a Remote Switching Unit
20 (RSU), which is essentially an extension of the host switching system.
21 Given that the FCC's Order in paragraph 30 does not require collocation
22 of equipment used solely to provide enhanced services, BellSouth
23 believes it already is and has been in compliance with the FCC's
24 requirements.

25

1 Q. HOW DOES BELLSOUTH WANT THE COMMISSION TO RESOLVE
2 THIS ISSUE?

3

4 A. This Commission should affirm BellSouth's position as to its obligation as
5 to the types of equipment it is obligated to allow in physical collocation
6 arrangements as set out above.

7

8 **Issue 16: For what reasons, if any, should the provisioning interval be**
9 **extended without the need for an agreement by the applicant ALEC or**
10 **filing by the ILEC of a request for an extension of time?**

11

12 Q. DOES BELLSOUTH HAVE TOTAL CONTROL OVER COLLOCATION
13 PROVISIONING INTERVALS?

14

15 A. No. BellSouth has committed to intervals for all activities that are within
16 its control. Several mitigating factors that are outside BellSouth's control,
17 such as the permitting interval, local building code interpretation, and
18 unique construction requirements, affect the provision interval and are
19 properly excluded from BellSouth's provisioning interval.

20

21 Q. UNDER WHAT CONDITIONS SHOULD PROVISIONING INTERVALS BE
22 EXTENDED?

23

24 A. There are three (3) situations where provisioning intervals should be
25 extended. They are: 1) provisioning of collocation arrangements

1 encountering extraordinary conditions; 2) provisioning of collocation
2 arrangements encountering unusual delays in the permitting process, and;
3 3) provisioning collocation arrangements associated with central office
4 building additions. I will explain each of these in the following paragraphs.

5
6 Q. WHAT DO YOU MEAN BY THE TERM "EXTRAORDINARY
7 CONDITIONS" AS IT RELATES TO PROVISIONING OF COLLOCATION
8 ARRANGEMENTS?

9
10 A. Extraordinary conditions include, but are not limited to, major BellSouth
11 equipment rearrangements or additions; power plant additions or
12 upgrades; major mechanical additions or upgrades; major upgrades for
13 ADA compliance; environmental hazard or hazardous materials
14 abatement. Any and all of these conditions, could necessitate an
15 unforeseen extension of the provisioning interval.

16
17 Q. PLEASE DISCUSS HOW UNUSUAL DELAYS IN THE PERMITTING
18 PROCESS AFFECT THE OVERALL PROVISIONING PROCESS FOR
19 COLLOCATION ARRANGEMENTS.

20
21 A. Much of the work required to provision collocation arrangements requires
22 building permits before construction can commence. Obviously, the time
23 required to receive permits (once BellSouth has requested a permit) is
24 outside BellSouth's control. Further, the FCC's rules in its recent Order
25 may inadvertently have created potential conflicts with state or local

1 building code ordinances.

2

3 Q. DO YOU BELIEVE THAT THE FCC'S RULES IN ITS RECENT ORDER
4 CREATE A POTENTIAL CONFLICT WITH STATE OR LOCAL BUILDING
5 CODE ORDINANCES?

6

7 A. Yes. I do not expect all code officials to be completely familiar with the
8 FCC's requirements pertaining to physical collocation. In the day-to-day
9 permit request and approval process, BellSouth cannot commence certain
10 construction work that modifies mechanical, electrical, architectural or
11 safety factors within its central offices without first acquiring the necessary
12 permits. While code officials at the state and local levels are
13 implementing the FCC's rules, I am concerned that delays may be
14 experienced as BellSouth requests necessary permits. While I am not a
15 lawyer, I am aware that the doctrine of preemption may ultimately result in
16 the FCC's rules taking precedence over any conflicting state or local
17 ordinances; however, I believe it will take some time for any resulting
18 conflicts to be resolved. BellSouth cannot knowingly violate applicable
19 building and safety codes, and code officials cannot expect BellSouth to
20 knowingly violate applicable FCC rules.

21

22 Q. HAS BELL SOUTH ENCOUNTERED DELAYS AS A RESULT OF THE
23 PERMITTING AND INSPECTION PROCESSES?

24

1 A. Yes. BellSouth has experienced provisioning delays as a result of
2 permitting and inspection intervals in certain local jurisdictions. BellSouth
3 has also encountered delays as a result of the need to resolve local
4 building code issues. For instance, in Florida municipalities where
5 BellSouth has received requests from ALECs, BellSouth has experienced
6 permitting intervals that range from 15 days to in excess of 60 days.
7 Moreover, many municipalities require BellSouth and its contractors to
8 permit inspection requirements at each stage of construction before the
9 next stage can begin. This includes the sometimes-difficult task of
10 scheduling the inspections with a limited pool of inspectors representing
11 the municipalities.

12
13 Regarding building codes, not only have some municipalities treated
14 collocation as a "multi-tenant" arrangement, thus requiring the
15 construction of fire-rated enclosures, certain municipalities have withheld
16 certificates of occupancy until BellSouth complied with unrelated work
17 requests issued by the City/County. For one location, this included
18 replacing a sidewalk between the BellSouth central office building and the
19 public street before a certificate of occupancy would be issued for the
20 collocator's space. Incidentally, the sidewalk did not lead to the
21 collocator's entrance to the building. BellSouth has also experienced
22 delays as a result of ALEC failure to obtain the appropriate business
23 licenses.

24
25 Q. HAS BELLSOUTH ENCOUNTERED ANY CONFLICTS BETWEEN THE

1 FIRE AND LIFE SAFETY CODES, AND THE BUILDING CODES?

2

3 A. Yes. Under the National Fire Protection Act (NFPA) 101, Part 1, Section
4 28-141, a telephone exchange is listed as a Special Use Industrial
5 Occupancy, which does not require fire-rated separation related to exit
6 access corridors. The application of building codes differs throughout
7 Florida. For example, North Florida abides by the Standard Building Code
8 whereas South Florida abides by the South Florida Building Code. The
9 Standard Building Code and South Florida Code refer to telephone
10 exchanges as Group B – Business or Group G – storage that requires fire-
11 rated exit access corridors. The NFPA does not define the term “tenant”.
12 Both the Standard and South Florida Codes do define the term “tenant”.
13 They also define special requirements for tenant situations. The South
14 Florida Building Code (section 507.2) and the Standard Building Code
15 (section 704.3) require a fire-rated separation between tenants and
16 common areas (which includes corridors). The building official can choose
17 which sections of the codes that he/she wants the BellSouth plans and
18 specifications to meet when there are conflicts. For example, the Fire
19 Marshal of Ft. Lauderdale at the Main Relief central office and the Cypress
20 central office, has insisted that BellSouth meet the separation
21 requirements of the South Florida Building Code, and the 50 foot common
22 path of travel requirement of NFPA 101. Under NFPA 101, Special Use
23 Industrial Occupancy, the corridor would not be required to have rated
24 walls. However, since the building official is picking and choosing between
25 codes, he/she can require that the corridor from the building be

1 constructed of fire-rated wall construction (according to the South Florida
2 **Building Code**). **Copies of the South Florida Building Code, Dade**
3 **County edition, the Standard Building Code, and other related**
4 **building and fire code documentation are attached to my testimony**
5 **as exhibit WKM-1.**

6
7 Q. DO YOU HAVE OTHER EXAMPLES?

8
9 A. Yes, there are numerous examples of incidents where the requirements of
10 local code officials have significantly contributed to the interval for
11 providing collocation space to the ALECs. A particular facility where the
12 code officials have made constant requests for changes is the Ft.
13 Lauderdale Main Relief central office. BellSouth has been required to
14 build fire-rated walls around the collocators' collocation arrangements and
15 the common area. Also, they required the construction of fire-rated
16 corridors through equipment areas and out of the building. In providing
17 this egress for the collocators, BellSouth had to relocate equipment, build
18 hallways under cable racks, and cut a new door through the exterior wall.
19 Since the new doorway was several feet above grade, a new ramp was
20 also constructed. Additionally, the fire inspector required that strobe lights
21 be installed on the fire alarm system at the doors.

22
23 There are numerous other municipalities that have required significant fire
24 alarm system upgrades as a result of the collocation activity. While some
25 code officials were satisfied with additional strobe lights, others requested

1 that BellSouth sign a letter agreeing to replace high-voltage fire alarm
2 systems within the next two years (Jacaranda central office, Sunrise
3 central office, and Allapattah central office). Other fire inspectors across
4 BellSouth's nine-state region have approved projects with the same high-
5 voltage fire alarm systems, but these officials want the systems replaced.

6
7 Accessibility additions have proven to be another area where the code
8 officials have required changes to plans before they would issue a permit.
9 BellSouth has had to make changes to restroom stalls and hardware as a
10 result of the Americans with Disabilities Act (ADA) requirements. On
11 another instance, a code official requested that BellSouth add an elevator
12 to a facility. However, BellSouth was successful in getting the code
13 official to remove this requirement.

14
15 Other incidents that BellSouth has encountered include the following:

- 16
- 17 • A request for a survey and street elevations for the second floor,
18 interior collocation project at the Hialeah central office.
 - 19
 - 20 • The City of Coral Springs will only allow one building permit in a
21 facility at one time (i.e. if there is a project underway in a facility,
22 another permit will not be granted until the certificate of completion
23 is issued for the project that is underway). This requirement can
24 result is a significant delay if the existing project has a long
25 completion interval.

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- On a collocation project at the Cypress central office, the city would not issue the Certificate of Occupancy until BellSouth performed some landscaping work.
- The City of Jacksonville would not issue a permit for a San Marco central office collocation project until BellSouth either performed landscaping requirements on the facility, or obtained approval on a variance from the landscaping provisions. Since the landscaping provisions would eliminate several of the limited number of parking spaces, it was decided that it was in both BellSouth's and the collocators' best interests to file the variance. A survey had to be completed showing the existing conditions, with an alternate plan showing the landscaping in accordance with City regulations. The variance was then filed, and a public hearing was held the following month. After the variance was approved at a public hearing, the City would not issue a permit until the public had 15 days to comment on the approval. It took about six months to obtain the permit for this project. The City has changed their interpretation of the requirements for a landscaping review for any project involving 50% of the building value. In the past, the City considered all projects cumulatively. They now consider the 50% rule on a "per project" basis.

25 Q. HOW IS BELL SOUTH DEALING WITH THESE UNEXPECTED ISSUES?

1

2 A. As to the majority of these issues, BellSouth has attempted to refine its
3 *processes to accommodate the issues that may arise as a result of*
4 *various government agencies' involvement.* BellSouth has been
5 *increasingly successful in working with the various governmental agencies*
6 *in reducing the permit approval interval.* Further, BellSouth is
7 *communicating with the ALECs so that they have a good understanding of*
8 *the issues faced in processing a collocation request.* In addition,
9 *BellSouth may, at its sole discretion, agree to an equipment installation*
10 *date prior to the completion of its infrastructure work, provided the area is*
11 *properly secured.* For these exceptions, BellSouth will report this date as
12 *the "Space Available for Occupancy Date".* In these cases, the collocator
13 *must sign a liability waiver before such work may begin.*

14

15 Q. HOW DO BUILDING ADDITIONS AFFECT THE OVERALL
16 PROVISIONING INTERVAL FOR COLLOCATION ARRANGEMENTS?

17

18 A. In the case where provisioning a collocator's arrangement is contingent on
19 *substantial completion of a building addition, work cannot commence*
20 *towards fulfilling a collocator's request for collocation until that addition is*
21 *largely completed.* Building additions are very long lead-time projects,
22 *often encompassing several years between initial planning and*
23 *completion of the project.* Thus, building addition planning and
24 *construction times should not be included as part of the provisioning*
25 *interval for collocation arrangements.*

1

2 Q. HOW DOES BELLSOUTH WANT THE COMMISSION TO RESOLVE
3 THIS ISSUE?

4

5 A. This Commission should affirm that upon firm order by an applicant
6 carrier, the provisioning interval of 90 calendar days for physical
7 collocation and 60 calendar days for virtual collocation should exclude the
8 time spent obtaining any needed permits and should exclude
9 extraordinary situations or conditions as well.

10

11 **Issue 20: What process, if any, should be established for forecasting**
12 **collocation demand for CO additions or expansions?**

13

14 Q. WHAT IS THE PROCESS FOR FORECASTING COLLOCATION
15 DEMAND FOR CO ADDITIONS OR EXPANSIONS?

16

17 A. In its First Report and Order (FCC 96-325, Released August 8, 1996), the
18 Federal Communications Commission ("FCC") states the following:

19

20 "We [FCC] further conclude that LECs should not be required to
21 lease or construct additional space to provide physical collocation
22 to interconnectors when existing space has been exhausted." That
23 Order further stated "...we conclude that incumbent LECs should
24 be required to take collocator demand into account when
25 renovating existing facilities and constructing or leasing new
facilities, just as they consider demand for other services when

1 undertaking such projects.” (¶ 585, FCC 96-325)

2

3 With this in mind, BellSouth includes forecasted space for collocation in its
4 central office additions or expansions. BellSouth provides for collocation
5 space based on forecasts derived from the following sources: space
6 currently allocated for collocation, the amount of space requested in either
7 current applications or collocators on a waiting list for that central office,
8 and the amount of collocation space in central offices in the surrounding
9 area. BellSouth encourages ALECs to provide forecasts periodically for a
10 planning horizon of two years such that BellSouth can take ALEC
11 forecasts into account as one factor when planning for central office
12 additions, expansions or replacements. Should this Commission issue
13 any requirements regarding forecasting demand for central office
14 additions or expansions, it should encourage ALECs to provide forecasts
15 periodically for a planning horizon of two years to be used as a factor for
16 planning purposes. BellSouth is not privy to the business plans of its
17 competitors, and can only estimate their future collocation needs.

18

19 **Q. IS THE NEED FOR A PROCESS FOR FORECASTING COLLOCATION**
20 **DEMAND FOR CO ADDITIONS OR EXPANSIONS DIFFERENT THAN IT**
21 **WAS IN THE PAST? IF SO, WHY?**

22

23 **A. Yes. In the past, the design of the network was relatively stable, being**
24 **primarily used for voice traffic. BellSouth relied heavily on forecasts of**
25 **line growth and interexchange carrier access growth. There was a direct**

1 correlation between the interoffice trunk growth and the access line
2 growth. However, the process for projecting equipment requirements has
3 been revised to take into account various new or changed factors. Those
4 are: 1) the increased use of the Internet and the resulting increased
5 demand on the telecommunications network; 2) the introduction of ALEC
6 networks and the need to interconnect those networks; and 3) the
7 increased demand for wireless interconnection. As a result, the demand
8 on the network is no longer stable or predictable. Therefore, a lack of a
9 stable forecast information reflecting these influences has forced
10 BellSouth Capacity Managers to rely heavily on trended demand to
11 determine capacity exhaust and equipment relief timing.

12

13 Q. HOW WILL THIS NEW PROCESS IMPACT FUTURE CENTRAL OFFICE
14 ADDITIONS OR EXPANSIONS?

15

16 A. This process ensures that the various types of equipment are
17 appropriately forecasted for future growth, that capital investment is
18 effectively utilized, and that central office space is efficiently utilized.
19 Space must be reserved for equipment growth to allow sufficient time to
20 expand a central office when space is exhausted. The planning, design,
21 permitting, and construction activities associated with a building addition
22 take approximately two to three years. This process allows BellSouth to
23 provide timely customer service to local end users and interconnecting
24 customers.

25

1 Q. HOW DOES BELLSOUTH WANT THE COMMISSION TO RESOLVE
2 THIS ISSUE?

3

4 A. This Commission should encourage ALECs to provide forecasts
5 periodically for a planning horizon of two years such that BellSouth can
6 take ALEC forecasts into account as one factor when planning for central
7 office additions, expansions or replacements.

8

9 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

10

11 A. Yes.

1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 REBUTTAL TESTIMONY OF W. KEITH MILNER
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NOS. 981834-TP and 990321-TP
5 NOVEMBER 19, 1999
6
7

8 Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH
9 BELLSOUTH TELECOMMUNICATIONS, INC.

10
11 A. My name is W. Keith Milner. My business address is 675 West Peachtree
12 Street, Atlanta, Georgia 30375. I am Senior Director - Interconnection
13 Services for BellSouth Telecommunications, Inc. ("BellSouth"). I have
14 served in my present role since February 1996 and have been involved
15 with the management of certain issues related to local interconnection,
16 resale, and unbundling.
17

18 Q. ARE YOU THE SAME W. KEITH MILNER WHO FILED DIRECT
19 TESTIMONY IN THIS PROCEEDING?

20
21 A. Yes.
22

23 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?
24

25 A. I will respond to portions of the testimony of the following witnesses in

1 connection with issues 3-4, 9-12, 16, and 20:

- 2
- 3 • John W. Ries, GTE Florida Incorporated, "GTE"
- 4 • Julia O. Strow, Intermedia Communications, Inc., "Intermedia"
- 5 • Andrew Levy, MGC Communications, Inc., "MGC"
- 6 • Michael Moscaritolo, Covad Communications Company, "Covad"
- 7 • Robert Williams, Rhythms Links Inc., "Rhythms"
- 8 • Ron Martinez, WorldCom Technologies, Inc., "WorldCom"
- 9 • Melissa L. Closz, Sprint
- 10 • Michael R. Hunsucker, Sprint
- 11 • James C. Falvey, e.spire Communications, Inc., "e.spire"
- 12 • Joseph Gillan, Florida Competitive Carriers Association, "FCCA"
- 13 • David Nilson, Supra Telecommunications and Information Systems,
- 14 "Supra"

15

16 **ISSUE 3: To what areas does the term "premises" apply, as it pertains to**
 17 **physical collocation and as it is used in the Act, the FCC's Orders, and FCC**
 18 **Rules?**

19

20 Q. MR. MARTINEZ (PAGE 7) STATES THAT A BROAD DEFINITION OF
 21 "PREMISES" HAS BEEN REINFORCED BY THE FCC'S RECENT
 22 ADVANCED SERVICES ORDER AND THAT IN PARAGRAPHS 39 AND
 23 45 OF THE ORDER, THE FCC SPECIFICALLY AUTHORIZED
 24 COLLOCATION IN ANY AVAILABLE SPACE INSIDE OR OUTSIDE OF
 25 THE CENTRAL OFFICE. DO YOU AGREE WITH MR. MARTINEZ'

1 INTERPRETATION?

2

3 A. No. Nothing in either paragraph 39 or 45 specifically addresses
4 authorizing collocation in any available space inside or outside of the
5 central office. The entire text of Paragraph 39 states:

6 "We [FCC] now adopt our tentative conclusion that incumbent LECs
7 must provide specific collocation arrangements, consistent with the
8 rules we [FCC] outline below, at reasonable rates, terms, and
9 conditions as are set by state commissions in conformity with the
10 Act and our [FCC] rules. We [FCC] agree with those commenters
11 that argue requiring such alternative collocation arrangements will
12 foster deployment of advanced services by facilitating entry into the
13 market by competing carriers. By requiring incumbent LECs to
14 provide these alternative collocation arrangements, we [FCC] seek
15 to optimize the space available at incumbent LEC premises,
16 thereby allowing more competitive LECs to collocate equipment
17 and provide service. Moreover, we [FCC] noted in the *Advanced
18 Services Order and NPRM*, and the record reflects, that more cost-
19 effective collocation solutions may encourage the deployment of
20 advanced services to less densely populated areas by reducing the
21 cost of collocation for competitive LECs".

22

23 The entire text of Paragraph 45 states:

24 "In the *Advanced Services Order and NPRM*, we [FCC] also asked
25 whether, if an incumbent LEC offers a particular collocation

1 arrangement, such an arrangement should be presumed to be
2 technically feasible at other LEC premises. We [FCC] recognize
3 that different incumbent LECs make different collocation
4 arrangements available on a region by region, state by state, and
5 even central office by central office basis. Based on the record, we
6 [FCC] now conclude that the deployment by any incumbent LEC of
7 a collocation arrangement gives rise to a rebuttable presumption in
8 favor of a competitive LEC seeking collocation in any incumbent
9 LEC premises that such an arrangement is technically feasible.
10 Such a presumption of technical feasibility, we [FCC] find, will
11 encourage all LECs to explore a wide variety of collocation
12 arrangements and to make such arrangements available in a
13 reasonable and timely fashion. We [FCC] believe this "best
14 practices" approach will promote competition. Thus, for example, a
15 competitive LEC seeking collocation from an incumbent LEC in
16 New York may, pursuant to this rule, request a collocation
17 arrangement that is made available to competitors by a different
18 incumbent LEC in Texas, and the burden rests with the New York
19 incumbent LEC to prove that the Texas arrangement is not
20 technically feasible. The incumbent LEC refusing to provide such a
21 collocation arrangement, or an equally cost-effective arrangement,
22 may only do so if it rebuts the presumption before the state
23 commission that the particular premises in question cannot support
24 the arrangement because of either technical reasons or lack of
25 space".

1

2 The term "premises" has been clearly defined by the FCC in its rules. The
3 definition has been restated in this rebuttal testimony on this page at lines
4 19-25.

5

6 Q. MR. MARTINEZ (PAGES 7-8) AND MR. HUNSUCKER (PAGE 8) STATE
7 THAT STRUCTURES HOUSING ADMINISTRATIVE OFFICE
8 PERSONNEL SHOULD BE AVAILABLE FOR COLLOCATION WHEN
9 SPACE IS LEGITIMATELY EXHAUSTED IN A PARTICULAR LEC
10 PREMISES OR IF THERE IS VACANT SPACE AVAILABLE IN THESE
11 STRUCTURES PER THE FCC'S DEFINITION OF "PREMISES". DO
12 YOU AGREE?

13

14 A. No. Such an interpretation goes far beyond an ILEC's duty to provide
15 collocation in its premises. As I stated in my direct testimony, the
16 Telecommunications Act of 1996 ("Act") does not provide a definition for
17 the term "premises", nor is the term discussed in the legislative history. In
18 the FCC's Order 96-325, the FCC defined the term "premises" as follows:

19 "We [FCC] therefore interpret the term 'premises' broadly to include
20 LEC central offices, serving wire centers and tandem offices, as
21 well as all buildings or similar structures owned or leased by the
22 incumbent LEC that house LEC network facilities. We [FCC] also
23 treat as incumbent LEC premises any structures that house LEC
24 network facilities on public rights-of-way, such as vaults containing
25 loop concentrators or similar structures". [Paragraph 573]

1

2

I believe that if the FCC intended to broaden its definition, it could have done so in its recent Order. It did not. Instead, the FCC permits "the new entrant to construct or otherwise procure such an adjacent structure, subject only to reasonable safety and maintenance requirements" (FCC Order 99-48 at Paragraph 44) and only in legitimate space exhaust situations.

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25

Q. HAVE OTHER PARTIES SOUGHT TO FURTHER BROADEN THE FCC'S DEFINITION OF THE TERM "PREMISES"?

1 A. Yes. Some parties have suggested that buildings housing BellSouth's
2 administrative or other support personnel that are on parcels of land
3 adjacent to or near BellSouth's central offices should likewise be
4 considered "premises" under the FCC's definition. Since these buildings
5 do not house network facilities (that is, switches or transmission
6 equipment, for example), they are not subject to requirements for
7 collocation.

8

9 Q. MR. MARTINEZ (PAGE 8) APPARENTLY AGREES WITH THE TEXAS
10 COMMISSION'S DEFINITION OF PREMISES IN THAT "TO THE
11 EXTENT SPACE IN AN ELIGIBLE STRUCTURE IS 'LEGITIMATELY
12 EXHAUSTED' AND THE SWBT PROPERTY ALSO HAS WITHIN CLOSE
13 PROXIMITY AN 'ADMINISTRATIVE OFFICE' WHERE NETWORK
14 FACILITIES COULD BE HOUSED, THAT SPACE SHOULD BE LOOKED
15 AT AS A POSSIBLE ADJACENT ON-SITE COLLOCATION LOCATION".
16 [EMPHASIS ADDED] DO YOU AGREE?

17

18 A. Absolutely not. To the extent that the Texas Commission expanded the
19 definition of "premises", it set up a conflict with the FCC's definition of
20 "premises". It is the FCC's definition that is important in these
21 proceedings because BellSouth must provide collocation according to that
22 definition. The FCC defined "premises" as those buildings or similar
23 structures that house ILEC network facilities, not buildings or structures
24 that could house ILEC network facilities.

25

1 Q. ON PAGE 6 OF HIS TESTIMONY, MR. LEVY STATES THAT THE TERM
2 "PREMISES" NOT ONLY APPLIES TO ANY SPACE IN A CENTRAL
3 OFFICE THAT IS UNUSED BUT ALSO INCLUDES THE ILEC'S
4 PROPERTY OUTSIDE OF THE CENTRAL OFFICE BUILDING, BUT
5 WITHIN THE PROPERTY LINE. DO YOU AGREE?

6

7 A. No. I disagree with Mr. Levy's definition of the term "premises". The
8 FCC's definition of the term "premises" in no way specifies space outside
9 of the central office building or similar building or structure. To conform
10 with the FCC's use of the term "premises", the space outside of the central
11 office must have some form of structure which houses ILEC network
12 facilities. Empty property is not, by definition, appropriately classified as
13 "premises".

14

15 Q. ON PAGES 6-7 OF HIS TESTIMONY, MR. LEVY STATES THAT
16 UTILIZING ANY SPACE WITHIN THE PROPERTY LINE IS VALUABLE
17 BECAUSE IT IS CLOSE TO THE CENTRAL OFFICE BUILDING "SO
18 THAT THE ALEC CAN REACH THE ILEC MAIN DISTRIBUTION FRAME
19 ('MDF') VIA A COPPER CONNECTION THROUGH A MANHOLE."
20 DOES BELLSOUTH HAVE ANY OBLIGATIONS TO PROVIDE FOR
21 SUCH NON-FIBER OPTIC FACILITIES?

22

23 A. The rules regarding an ILEC's collocation obligation under the Act
24 established by the FCC in the First Report and Order clearly state that the
25 ILEC has no obligation to accommodate copper entrance facilities unless

1 and until such interconnection is first approved by the state commission.

2 47 CFR §51.323(d)(3) is as follows:

3 "When an incumbent LEC provides physical collocation, virtual
4 collocation, or both, the incumbent LEC shall permit interconnection
5 of copper or coaxial cable if such interconnection is first approved
6 by the state commission."

7

8 This rule was not altered by the FCC's decision in its *Advanced Services*
9 *Order and NPRM*.

10

11 **ISSUE 4: What obligations, if any, does an ILEC have to interconnect with**
12 **ALEC physical collocation equipment "off-premises"?**

13

14 Q. DO YOU AGREE WITH THE COMMENTS OF SEVERAL WITNESSES
15 THAT THE ACT AND THE FCC'S RULES REQUIRE AN ILEC TO
16 INTERCONNECT WITH ALEC FACILITIES REGARDLESS OF WHERE
17 THE ALEC FACILITIES ARE LOCATED, SUBJECT ONLY TO
18 REASONABLE SAFETY AND MAINTENANCE REQUIREMENTS?

19 *HUNSUCKER, P. 9-10; LEVY, P. 7; WILLIAMS, P. 10; FALVEY, P. 6.*

20

21 A. No. BellSouth has an obligation to interconnect at any technically feasible
22 point within the BellSouth network for the purposes of the transmitting and
23 routing of telephone exchange traffic and exchange access traffic.

24 BellSouth complies with this obligation pursuant to negotiated and
25 arbitrated interconnection agreements. The issue in this docket is where

1 does the adjacent collocation obligation lie and if the entrance facility rule
2 for collocation applies. The answer is that the adjacent collocation
3 obligation lies within the confines of the legitimately exhausted BellSouth
4 premise property. Further, 47 CFR §51.323(d)(3) absolutely applies to
5 adjacent collocation.

6
7 The trend in the telecommunications industry is for cables and equipment
8 to be reduced in size, not increased in size. For example, yesterday's
9 3,600 pair copper cable required its own four inch conduit. The capacity
10 provided by that copper cable could now easily be provided by a fiber
11 optic cable, which is a little more than one-half inch in diameter, an eight-
12 fold reduction. Accommodation of ALECs' requests to use BellSouth's
13 entrance facilities to bring new copper cables into BellSouth's central
14 offices would accelerate the exhaust of entrance facilities at its central
15 offices at an unacceptable rate, as compared to current technologies such
16 as fiber optic cable.

17
18 Q. ON PAGE 9 OF HIS TESTIMONY, MR. WILLIAMS SAYS THAT ILECs
19 SHOULD ALLOW COMPETITORS TO EITHER CONSTRUCT OR
20 OBTAIN ADJACENT COLLOCATION IN ANY ADJACENT STRUCTURE
21 AT AN ILEC PREMISES INCLUDING ALL EXISTING STRUCTURES AT
22 THE ILEC PREMISES THAT HOUSE NETWORK FACILITIES. DO YOU
23 AGREE?

24
25 A. I agree, but only where space is exhausted inside the central office

1 building and only in those existing structures that meet the FCC's
2 definition of "premises".

3

4 Q. MR. WILLIAMS (PAGE 9) SAYS THAT IN ORDER TO COLLOCATE AT
5 THE ILECS' PREMISES, COMPETITORS SHOULD ALSO BE ALLOWED
6 TO COLLOCATE IN REMOTE TERMINALS, WHICH ARE OWNED OR
7 LEASED BY THE ILEC HOUSING NETWORK FACILITIES, AND WOULD
8 BE AT AN EXTREME COMPETITIVE DISADVANTAGE IF PROHIBITED
9 FROM UTILIZING THESE FACILITIES. DO YOU AGREE?

10

11 A. As a general rule, remote terminals lack sufficient space for physical
12 collocation. There may be occasions where collocation in remote
13 terminals is found to be technically feasible. However, a technically
14 feasible method for an ALEC to gain access to unbundled network
15 elements at a BellSouth remote terminal is for the ALEC to install its own
16 equipment inside its own structure alongside BellSouth's structure.
17 BellSouth would then extend a tie-cable between its structure and the
18 ALEC's structure thus providing access but preserving network reliability.

19

20 Q. ON PAGE 7 OF HIS TESTIMONY, MR. LEVY STATES THAT
21 "INTERCONNECTION IS TECHNICALLY FEASIBLE AND THEREFORE,
22 SHOULD BE MANDATORY. ALL THAT IS REQUIRED FOR SUCH AN
23 INTERCONNECTION IS CONDUIT SPACE IN AN ILEC MANHOLE
24 NEAR THE CENTRAL OFFICE BUILDING WHERE COPPER FROM THE
25 ILEC CAN BE SPLICED TO COPPER FROM THE ALEC". DO YOU

1 AGREE WITH MR. LEVY'S COMMENTS?

2

3 A. No. First, Mr. Levy's comment that "interconnection is technically feasible"
4 is extremely vague and not very definitive, therefore his claim cannot be
5 supported as stated. Second, as I discussed previously in this testimony,
6 the issue of interconnection of non-fiber optic cable facilities was
7 addressed in the FCC's Second Report and Order, In the Matter of
8 Expanded Interconnection with Local Telephone Company Facilities in CC
9 Docket 91-141, Transport Phase I, released September 2, 1993.
10 Paragraph 69 of that Report and Order states: "LECs are not required to
11 provide expanded interconnection for switched transport for non-fiber optic
12 cable facilities (e.g., coaxial cable). In the Special Access Order, we [that
13 is, the FCC] concluded that given the potential adverse effects of
14 interconnection on the availability of conduit or riser space,
15 interconnection should be permitted only upon Common Carrier Bureau
16 approval of a showing that such interconnection would serve the public
17 interest in a particular case. We adopt this approach for switched
18 transport expanded interconnection."

19

20 BellSouth believes that, consistent with the FCC's Rules in CC Dockets
21 96-98 and 91-141, it is not required to accommodate requests for non-
22 fiber optic facilities placed in BellSouth's entrance facilities.

23

24 Q. MR. NILSON STATES (PAGE 7) THAT "THE ILEC SHOULD BE
25 REQUIRED TO PROVIDE ANYTHING THAT IS A TECHNICALLY

1 FEASIBLE INTERCONNECTION OR USE OF FACILITIES WITHIN THE
2 CO OFF PREMISES". PLEASE RESPOND.

3

4 A. I'm not sure what Mr. Nilson means as he doesn't indicate how this should
5 be done. Also, I don't understand what is meant by his phrase "within the
6 CO off premises".

7

8 Q. ON PAGE 3 OF MS. STROW'S TESTIMONY, REFERENCE IS MADE TO
9 "THE FCC ADOPTED RULE 51.323(k)(1) REQUIRING THE ILECS TO
10 PROVIDE "OFF-PREMISES" OR "ADJACENT COLLOCATION" WHERE
11 SPACE IS LEGITIMATELY EXHAUSTED IN A PARTICULAR ILEC
12 CENTRAL OFFICE AND WHERE IT IS TECHNICALLY FEASIBLE".
13 PLEASE COMMENT.

14

15 A. First, FCC 51.323(k)(1) addresses shared collocation cages, not adjacent
16 collocation. I believe Ms. Strow meant to refer to FCC 51.323(k)(3) which
17 addresses adjacent space collocation. Second, Ms. Strow's statement
18 seems to imply that "off-premises" is synonymous with "adjacent
19 collocation", but provides no definition of either. I do not believe "off
20 premises" and "adjacent collocation" to be synonymous terms. BellSouth
21 provides "adjacent collocation" by allowing collocators to construct or
22 otherwise procure CEVs and similar structures on BellSouth's property in
23 cases where space for physical collocation is legitimately exhausted. I
24 believe "off-premises" physical collocation is a reference to space a
25 collocator may rent or own that is in close proximity to a BellSouth central

1 office, thus the difference in the two terms.

2

3 **ISSUE 9: What is the appropriate demarcation point between ILEC and**
4 **ALEC facilities when the ALEC's equipment is connected directly to the**
5 **ILEC's network without an intermediate point of interconnection?**

6

7 Q. THE ALECS' WITNESSES GENERALLY AGREE THAT THEY SHOULD
8 HAVE THE OPTION TO PROVISION AN ALTERNATE DEMARCATION
9 POINT EITHER INSIDE OR OUTSIDE THEIR COLLOCATION SPACE
10 AS APPROPRIATE. CLOSZ, P. 17; LEVY, P. 14-15; WILLIAMS, P. 13-
11 14; NILSON, P. 10. WHAT IS YOUR REACTION?

12

13 A. As noted in my direct testimony, there obviously is a need for a clearly
14 understood demarcation point between two carriers' networks with each
15 party responsible for maintenance and operation of all equipment/facilities
16 on its side of the demarcation point. Further, I do not agree that the
17 demarcation point may be within a collocation space because ordinarily
18 BellSouth does not have access to the ALEC's equipment within its
19 collocation arrangement.

20

21 Contrary to the statement of Mr. Nilson at page 10, BellSouth does not
22 have a demarcation between its switching and transmission equipment.
23 Demarcation is a point of separation between two carriers' networks.

24

25 Q. ON PAGE 14 OF HIS TESTIMONY, MR. WILLIAMS STATES THAT

1 BELL SOUTH ESSENTIALLY REFUSES TO ALLOW COMPETITORS TO
2 DESIGNATE THE POINT OF INTERCONNECTION BETWEEN THEIR
3 COLLOCATION ARRANGEMENTS AND BELL SOUTH'S NETWORK. IS
4 HE CORRECT?

5

6 A. No. BellSouth allows interconnection at any technically feasible point. The
7 question is not "where" the point of interconnection should be but "how" or
8 what device should be used for interconnection.

9

10 Q. MR. WILLIAMS (PAGE 14) INDICATES "BELL SOUTH INSISTS THAT
11 RHYTHMS MUST WIRE FROM ITS COLLOCATION SPACE TO THE
12 CDF. BELL SOUTH CLAIMS THE CDF IS NOT AN 'INTERMEDIATE
13 FRAME,' THOUGH IT IS A FRAME LOCATED BETWEEN THE
14 COLLOCATION ARRANGEMENT AND THE MDF". PLEASE
15 COMMENT.

16

17 A. First of all, the CDF is not an 'intermediate frame'. It is tied directly into
18 BellSouth's network. A demarcation point must exist to define where each
19 carrier's network ends. BellSouth asked for a legally binding agreement
20 between BellSouth and Rhythms in order to move forward with
21 provisioning collocation space. At this time, it is not clear to me whether
22 Rhythms wants a Point of Termination (POT) bay or not and whether or
23 not Rhythms wants the demarcation point to be a POT bay. In any event,
24 some demarcation point must be established. BellSouth proposes a CDF
25 as a demarcation point.

1

2 Q. MS. CLOSZ (PAGES 16-17) SUGGESTS THAT THE APPROPRIATE
3 DEMARCATION POINT BETWEEN ILEC AND ALEC FACILITIES
4 WITHOUT AN INTERMEDIATE POINT OF INTERCONNECTION IS THE
5 ALEC COLLOCATION SITE AND THAT THIS WOULD SERVE AS THE
6 POINT WHERE ALEC AND ILEC FACILITIES MEET AND WHERE
7 MAINTENANCE AND PROVISIONING RESPONSIBILITIES ARE SPLIT
8 WITH EACH PARTY ASSUMING APPROPRIATE RESPONSIBILITY.
9 DO YOU AGREE?

10

11 A. No. First, the ALEC collocation site is not "the" appropriate demarcation
12 point, but "one" appropriate demarcation point. Second, Ms. Closz fails to
13 indicate specifically where such a demarcation would be made, or upon
14 what device the demarcation point would reside.

15

16 Q. ON PAGE 17 OF MS. CLOSZ'S TESTIMONY, SHE STATES THAT THE
17 ALEC SHOULD HAVE THE OPTION TO UTILIZE AN INTERMEDIATE
18 POINT OF INTERCONNECTION, SUCH AS A POT BAY. DO YOU
19 AGREE?

20

21 A. BellSouth allows interconnection of its network to ALECs' networks at any
22 technically feasible point. At the ALEC's option, a POT bay or frame may
23 be placed in the collocation space, but this POT bay will not serve as the
24 demarcation point. The FCC's Rules (Paragraph 42) state, "Incumbent
25 LECs may not require competitors to use an intermediate interconnection

1 arrangement in lieu of direct connection to the incumbent's network if
2 *technically feasible, because such intermediate points of interconnection*
3 *simply increase collocation costs without a concomitant benefit to*
4 *incumbents".*

5

6 **ISSUE 10: What are reasonable parameters for reserving space for future**
7 **LEC and ALEC use?**

8

9 Q. MR. HUNSUCKER (PAGES 13-14) REFERENCES FCC RULE 51.323
10 (f)(5) FOR GUIDELINES TO BE USED IN REGARDS TO RESERVATION
11 OF SPACE FOR FUTURE PHYSICAL COLLOCATION USE. DO YOU
12 AGREE WITH MR. HUNSUCKER'S INTERPRETATION OF THE FCC'S
13 RULES?

14

15 A. No, I disagree with Mr. Hunsucker because the FCC's Rule he cites refers
16 to virtual collocation, not physical collocation. FCC Rule 51.323(f)(5) is as
17 follows:

18

*"An incumbent LEC shall relinquish any space held for future use
19 before denying a request for virtual collocation on the grounds of
20 space limitations, unless the incumbent LEC proves to the state
21 commission that virtual collocation at that point is not technically
22 feasible."*

23

24 Q. EXPLAIN THE DIFFERENCE BETWEEN VIRTUAL COLLOCATION AND
25 PHYSICAL COLLOCATION.

1

2 A. In a physical collocation arrangement, a collocator leases space at an
3 ILEC's premises for its equipment. The collocator has physical access to
4 this space to install, maintain, and repair its equipment. In a virtual
5 collocation arrangement, the collocator, however, does not have physical
6 access to the ILEC's premises. Instead, the equipment is under the
7 physical control of the ILEC, and the ILEC is responsible for installing,
8 maintaining, and repairing the collocator's equipment.

9

10 Q. ON PAGES 14-17 OF HIS TESTIMONY, MR. HUNSUCKER, ON
11 BEHALF OF SPRINT, RECOMMENDS THAT BOTH ILECS AND ALECS
12 SHOULD BE ABLE TO RESERVE FLOOR SPACE FOR UP TO 12
13 MONTHS. OTHER WITNESSES STATE THAT SPACE RESERVATION
14 PARAMETERS SHOULD RANGE ANYWHERE FROM NO RIGHT TO
15 RESERVE SPACE FOR EITHER THE ILEC OR ALECS TO THE RIGHT
16 TO RESERVE SPACE UP TO THREE YEARS. *MARTINEZ, P. 14;*
17 *STROW, P. 10; LEVY, P. 15.* PLEASE COMMENT.

18

19 A. As I stated in my direct testimony, the FCC, in its First Report and Order,
20 ruled that "restrictions on warehousing of space by interconnectors are
21 appropriate. Because collocation space on incumbent LEC premises may
22 be limited, inefficient use of space by one competitive entrant could
23 deprive another entrant of the opportunity to collocate facilities or expand
24 existing space." CC 96-325, at Paragraph 586. The FCC also provides
25 that "Incumbent LECs may not ... reserve space for future use on terms

1 more favorable than those that apply to other telecommunications carriers
2 seeking to hold collocation space for their own future use." CC 96-325, at
3 Paragraph 604.

4
5 BellSouth applies to ALECs the same standards it applies to itself
6 regarding the reservation of space. ALECs may reserve space for a two-
7 year forecast. Forecasts longer than two years become increasingly less
8 reliable. If it is apparent the space will not be utilized and BellSouth has a
9 need for the space for itself or for another interconnector following the
10 expiration of the two-year period, the ALEC must forfeit the use of that
11 space. Likewise, BellSouth will forfeit any of its reserved space that will
12 not be used within the two-year window if needed by an ALEC.

13
14 Q. MS. STROW (PAGES 10-11) SUGGESTS THAT THE ILECS SHOULD
15 BE REQUIRED TO HAVE ENOUGH SPACE FOR AT LEAST TWO
16 COLLOCATORS IN A SPECIFIC CENTRAL OFFICE AND THAT WHEN
17 SPACE FALLS BELOW THE AMOUNT NECESSARY FOR TWO
18 COLLOCATORS, THE ILEC SHOULD FIRST BE REQUIRED TO GIVE
19 UP THE SPACE IT HAS RESERVED FOR GROWTH IF AN ALEC
20 REQUESTS THE SPACE. FURTHER, THE ILEC SHOULD THEN BEGIN
21 TO CREATE PLANS FOR EXPANSION OF THE CENTRAL OFFICE. DO
22 YOU AGREE?

23
24 A. Absolutely not. First, there is no basis for such a requirement. Any such
25 requirement would put BellSouth at a distinct disadvantage to ALECs if the

1 ALECs reserve space without the possibility of being required to relinquish
2 reserved space, but BellSouth must surrender its reserved space.

3 Second, BellSouth is not obligated to construct additional space or lease
4 space. According to the FCC "We [FCC] further conclude that LECs
5 should not be required to lease or construct additional space to provide
6 physical collocation to interconnectors when existing space has been
7 exhausted" (FCC 96-325, ¶ 585).

8

9 Q. MR. MARTINEZ (PAGE 14) INDICATES THAT IF ANY MODIFICATIONS
10 OR ADDITIONS ARE PLANNED FOR A CENTRAL OFFICE TO MAKE
11 ADDITIONAL SPACE AVAILABLE (OR IF OBSOLETE EQUIPMENT IS
12 SCHEDULED FOR REMOVAL), ANY SPACE DESIGNATED BY THE
13 ILEC FOR "FUTURE USE" THAT EXTENDS BEYOND THE EXPECTED
14 BUILDING RELIEF DATE SHOULD BE RELEASED FOR USE BY THE
15 ALECS WHO HAVE A CURRENT NEED FOR THE SPACE. DO YOU
16 AGREE?

17

18 A. No, for the same reasons as I stated earlier. The FCC's Rules require
19 BellSouth to allow ALECs to reserve space on the same basis as
20 BellSouth does for itself. BellSouth complies with this requirement.

21

22 Q. MR. FALVEY, ON PAGE 10 OF HIS TESTIMONY, STATES " THE
23 UNDERUTILIZATION OF EQUIPMENT COULD HAVE THE
24 ANTICOMPETITIVE EFFECT OF MINIMIZING OR ELIMINATING
25 AVAILABLE SPACE FOR COLLOCATION BY ALECs. THE

1 COMMISSION SHOULD FOCUS ON "RESERVED SPACE," BECAUSE
2 ILECS CAN PROHIBIT COLLOCATION ENTIRELY BY RESERVING ALL
3 THE SPACE NOT ALREADY OCCUPIED BY ITS OWN EQUIPMENT".
4 DO YOU AGREE?

5
6 A. Definitely not. First, BellSouth already has strong financial incentives to
7 contain its costs by making the best utilization of available equipment and
8 capital resources. Second, BellSouth offers ALECs space reservation on
9 equal terms to those that it applies to itself.

10
11 Q. FURTHER ON PAGE 10, MR. FALVEY STATES THAT "ANY SPACE
12 RESERVED FOR FUTURE USE BY AN ILEC MUST BE IDENTIFIED BY
13 THE ILEC FOR A PARTICULAR FUTURE USE. THE ILEC MUST
14 IDENTIFY THE NATURE OF THAT INTENDED USE, THE EXPECTED
15 DATE OF THAT USE, AND MEASURES THAT THE ILEC IS TAKING TO
16 MAKE ADDITIONAL SPACE AVAILABLE FOR PHYSICAL
17 COLLOCATION". DO YOU AGREE?

18
19 A. No. Mr. Falvey is mixing two different issues. I would agree that the ILEC
20 must identify the nature and expected date of the intended future use, but
21 as to measures the ILEC is taking to make additional space available, I
22 would disagree. As I mentioned earlier in my testimony, BellSouth is not
23 required to construct or lease space for collocators.

24
25 Q. ON PAGE 11 OF HIS TESTIMONY, MR. NILSON STATES THAT

1 "HISTORICALLY, AN ILEC'S SPACE RESERVATION WAS BASED ON
2 GROWTH FORECASTING IN A MONOPOLY ENVIRONMENT. ILECS
3 MUST NOW TAKE INTO CONSIDERATION A DECREASE IN DEMAND
4 DUE TO LOCAL COMPETITION. THEREFORE, I BELIEVE THE
5 PARAMETERS SHOULD APPLY EQUALLY TO BOTH ILECS AND
6 ALECS". PLEASE COMMENT.

7
8 A. I agree. BellSouth considers forecasted space for collocation in its plans
9 for central office additions or expansions. BellSouth provides for
10 collocation space based on forecasts derived from the following sources:
11 space currently allocated for collocation, the amount of space requested in
12 either current applications or by collocators on a waiting list for that central
13 office, and the amount of collocation space in central offices in the
14 surrounding area. BellSouth encourages ALECs to provide forecasts
15 periodically for a planning horizon of two years such that BellSouth can
16 take ALEC forecasts into account as one factor when planning for central
17 office additions, expansions, or replacements. Should this Commission
18 issue any requirements regarding forecasting demand for central office
19 additions or expansions, it should encourage ALECs to provide forecasts
20 periodically for a planning horizon of two years to be used as a factor for
21 planning purposes. BellSouth is not privy to the business plans of its
22 competitors, and without such forecasts can only estimate their future
23 collocation needs.

24
25 Q. ON PAGE 12 OF HIS TESTIMONY, MR. MOSCARITOLO STATES THAT

1 UNDER BELLSOUTH'S COLLOCATION AGREEMENT, AN ALEC MUST
2 PLACE OPERATIONAL EQUIPMENT WITHIN ITS COLLOCATION
3 SPACE AND CONNECT WITH BELLSOUTH'S NETWORK WITHIN 180
4 DAYS OF DELIVERY OF THE SPACE. HE FURTHER INDICATES
5 THAT EVEN THOUGH BELLSOUTH DOESN'T LABEL THIS PROVISION
6 AS A SPACE RESERVATION POLICY, THE PROVISION EFFECTIVELY
7 PREVENTS AN ALEC FROM RESERVING SPACE FOR FUTURE
8 GROWTH FOR A PERIOD OF OVER SIX MONTHS. PLEASE
9 COMMENT.

10
11 A. The "provision" that Mr. Moscaritolo referenced is meant to prevent
12 warehousing of space. The requirement is that the ALEC must begin to
13 use its space within 180 days. As I stated earlier, BellSouth allows ALECs
14 to reserve space for future expansion on the same terms as it applies for
15 itself. As I mentioned earlier in this testimony, the FCC observed that
16 "restrictions on warehousing of space by interconnectors are appropriate."
17 CC 96-325, at Paragraph 586.

18
19 **ISSUE 11: Can generic parameters be established for the use of**
20 **administrative space by an ILEC, when the ILEC maintains that there is**
21 **insufficient space for physical collocation? If so, what are they?**

22
23 Q. MR. HUNSUCKER (PAGE 17-18) STATES THAT ILECS SHOULD BE
24 REQUIRED TO VACATE ADMINISTRATIVE SPACE PRIOR TO
25 DENYING A COLLOCATION REQUEST. DO YOU AGREE?

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A. No, I do not. First, as I described on page 32 of my direct testimony, administrative space, while not directly supporting the equipment in the central office, is nonetheless a critical indirect factor in providing human and logistical support for the provision of service. One excellent example of the use of administrative space in a central office building is space that is used for training. Typically, the training is computer-based and is directly related to and supports the operation of the equipment activity in the building. The training is intensive and self-paced. A quiet area is a necessity for this intensive training. This training is necessary to maintain a proficient work force able to master ever-changing technology. A central office is not quiet. Telephones ring for multiple lines, while printers and fax machines run. There is a loud background level noise of fans, air conditioning, and alarms of sundry volume, duration and pitch. In addition, other work teams call to each other while running cable, installing racking, and cleaning up debris. Loudspeakers signal requests for test assistance and wiring information for customer service needs. This can be very distracting. Sending the technician out of the building for training does not allow him/her to be available in case of service emergency to help fix a critical problem. Further, some training modules require the trainee to observe the actual equipment, thus necessitating trips from the training room to the equipment itself. Requiring relocation of such training space would greatly reduce the efficiency of the training process and could potentially impact the quality of service provided from the office.

1 Second, as I stated on page 33 of my direct testimony, generic
2 parameters for administrative space usage can not be established
3 because there are different space, equipment, building code, manpower,
4 and other requirements unique to each central office.

5

6 Q. IF THE COMMISSION WERE TO ADOPT A POLICY WHICH WOULD
7 REQUIRE BELL SOUTH TO RELOCATE ADMINISTRATIVE OR OTHER
8 SPACE TO ANOTHER PREMISES IN ORDER TO ACCOMMODATE A
9 COLLOCATION REQUEST, WHO SHOULD BEAR THE COSTS OF
10 IMPLEMENTING SUCH RELOCATIONS?

11

12 A. All associated costs of such relocations should be borne by the ALEC or
13 ALECs whose collocation requests triggered the relocations. I am pleased
14 that Mr. Hunsucker implicitly agrees with this position with his brief
15 discussion of a methodology for cost calculation that assumes some
16 responsibility by ALECs for cost causation. I am neither a cost expert nor
17 an attorney, but it is my opinion that a separate proceeding might be
18 required to develop a suitable costing methodology if the Commission
19 decides that relocations are to be required in some cases.

20

21 Q. ON PAGE 11 OF MS. STROW'S TESTIMONY, SHE SUGGESTS THAT
22 THE COMMISSION SHOULD REQUIRE ILECS TO MAINTAIN ON FILE,
23 FOR FIVE YEARS, ALL APPLICATIONS FOR PHYSICAL
24 COLLOCATION AND WHEN SPACE BECOMES AVAILABLE
25 INCLUDING ADMINISTRATIVE SPACE, THE ILEC SHOULD

1 IMMEDIATELY PROVIDE WRITTEN NOTIFICATION TO THE ALECS
2 WHO HAD ORIGINALLY REQUESTED SPACE AND WERE DENIED.
3 HOW DO YOU RESPOND?
4

5 A. First, I do not see a purpose to be served by establishing arbitrary
6 timeframes for the retention of applications. BellSouth is committed to
7 impartially and efficiently administering a process to serve ALECs on a
8 "first come / first served" basis in each office in which they desire to
9 collocate. For example, once an office has been expanded sufficiently to
10 permit the collocation of existing applicants, it is pointless to retain
11 applications or other documents relating to the applications. The building
12 expansion may take place within months in one office but several years in
13 another. Therefore, paper file retention should be determined based on
14 the circumstances of each office. BellSouth commits to keeping
15 applications and associated documents for as long as they are needed.
16

17 Second, BellSouth believes it is meeting the concerns raised about
18 notification of ALECs when space becomes available. BellSouth
19 maintains on its Interconnection Services website a notification document
20 indicating all central offices that are without collocation space. BellSouth
21 will update this document within ten (10) business days of the date of the
22 first Denial of Application that causes space to become exhausted. At
23 BellSouth's Interconnection Services website, ALECs may subscribe to an
24 automatic e-mail notification process, which will include, among other
25 notices, a notice that the space exhaust list has been updated. BellSouth

1 will also post a document in its Interconnection Services website that
 2 contains a general notice indicating where space has become available in
 3 a central office previously on the space exhaust list. Given this process,
 4 the formal rules proposed for adoption by Ms. Strow are unnecessary.

5

6 **ISSUE 12: What types of equipment are the ILECs obligated to allow in a**
 7 **physical collocation arrangement?**

8

9 Q. WHAT IS YOUR REACTION TO THE TESTIMONY OF INTERVENOR'S
 10 WITNESSES CONCERNING THE TYPES OF EQUIPMENT WHICH
 11 ILEC'S MUST ALLOW IN A PHYSICAL COLLOCATION
 12 ARRANGEMENT? *HUNSUCKER, P. 19-20; STROW, P. 13; MARTINEZ,*
 13 *P. 16; MOSCARITOLO, P. 13; CLOSZ, P. 18; FALVEY, P. 11; NILSON,*
 14 *P. 11-12; RIES, P. 15.*

15

16 A. I am pleased that most of the witnesses cited the FCC's March 31, 1999
 17 Order that specifies what equipment is permitted. In summary, BellSouth
 18 believes the Order is clear on the following points:

19 -Equipment that is used only for telecommunications purposes may
 20 be collocated.

21 -Equipment that may be used for both telecommunications
 22 purposes and enhanced switching provider (ESP) purposes and is
 23 indeed used for telecommunications purposes may be collocated.

24 -Equipment that is used solely for ESP purposes may not be
 25 collocated.

1

2 Q. MR. LEVY (PAGE 17) STATES THAT THE ALEC SHOULD BE
3 PERMITTED TO INSTALL ANY EQUIPMENT THAT MEETS NEBS
4 LEVEL 1 COMPLIANCE, REGARDLESS OF ITS FUNCTIONALITY. DO
5 YOU AGREE?

6

7 A. No. Mr. Levy's statement contradicts his own explanation of what the
8 FCC rules require. Given that the FCC's Order in paragraph 30 does not
9 require collocation of equipment used solely to provide enhanced
10 services, BellSouth believes this creates an exception to the NEBS level 1
11 compliance. Accordingly, BellSouth believes it already is and has been in
12 compliance with the FCC's requirements.

13

14 Q. MR. LEVY STATES, ON PAGE 17 OF HIS TESTIMONY, THAT
15 BELL SOUTH REQUIRES ALECS TO SUBMIT AN APPLICATION, FEE
16 INCLUDED, FOR APPROVAL PRIOR TO INSTALLING EQUIPMENT
17 AND THAT "THIS POLICY IS GROSSLY UNFAIR AND ANTI-
18 COMPETITIVE." PLEASE COMMENT.

19

20 A. First, I note that Mr. Levy offers no evidence to support his assertion of
21 unfairness or anti-competitiveness. Second, I believe Mr. Levy has not
22 fully thought through what the application process is designed to
23 accomplish, namely the fair treatment of all ALECs desiring to collocate.
24 The application fee is an accepted method of demonstrating a serious
25 intention and establishes for the record exactly when the ALEC informed

1 the ILEC of its decision to collocate in a particular office. Such a process
2 permits the policy of "first come/first served" to be fairly administered in
3 situations of limited collocation space.

4

5 It is also possible that Mr. Levy may be confusing this issue with the
6 forecast issue discussed elsewhere. There is no fee associated with
7 BellSouth's receiving an ALEC's forecast of future collocation needs.
8 Further, as stated elsewhere, BellSouth does not believe applications
9 alone form an adequate basis for producing a forecast of central office
10 growth.

11

12 Q. MS. STROW (PAGE 13) AND MR. HUNSUCKER (PAGE 20) BOTH
13 SUGGEST THAT THE ILECS SHOULD HAVE THE BURDEN OF PROOF
14 TO ESTABLISH THAT PARTICULAR EQUIPMENT WILL NOT BE USED
15 FOR INTERCONNECTION OR ACCESS TO UNBUNDLED NETWORK
16 ELEMENTS. PLEASE DISCUSS.

17

18 A. It should be the responsibility of the ALEC to demonstrate that any
19 equipment it proposes to collocate in ILEC spaces is in compliance with
20 the FCC's rules. It is my view that it would be an unreasonable burden
21 upon ILECs to prove the contrary case. ILECs could be faced with
22 employing extensive technical resources to evaluate equipment not used
23 for telecommunications purposes. Sufficient avenues of appeal exist for
24 ALECs should they view an ILEC decision to deny placement of a
25 particular piece of equipment as unreasonable.

1

2 **ISSUE 16: For what reasons, if any, should the provisioning interval be**
3 **extended without the need for an agreement by the applicant ALEC or filing**
4 **by the ILEC of a request for an extension of time?**

5

6 Q. MR. MARTINEZ, ON PAGE 18 OF HIS TESTIMONY, STATES THAT AN
7 AUTOMATIC EXTENSION FOR THE TIME REQUIRED TO OBTAIN A
8 BUILDING PERMIT COULD ENCOURAGE AN ILEC TO BE LESS
9 DILIGENT IN MANAGING THE PERMITTING PROCESS. SEVERAL
10 OTHER WITNESSES SUGGEST THAT THERE ARE NO SITUATIONS
11 THAT SHOULD PROVIDE THE ILEC WITH AN OPPORTUNITY TO
12 UNILATERALLY EXTEND COLLOCATION PROVISIONING INTERVALS.
13 *CLOSZ, P. 26; WILLIAMS, P. 5; NILSON, P. 16; PLEASE COMMENT.*

14

15 A. BellSouth is committed to meet the interim intervals established by this
16 Commission in its order in Docket 990321-TP (that is, 90 business days
17 for physical collocation and 60 days for virtual collocation). The
18 Commission recognized in that same order that extensions of these
19 intervals could become necessary and established a process in which the
20 ILEC could file a Motion for Extension of Time with the Commission and to
21 which the ALEC could respond. Several mitigating factors that are outside
22 BellSouth's control, such as the permitting interval, local building code
23 interpretation, and unique construction requirements, affect the
24 provisioning interval and are properly excluded from BellSouth's
25 provisioning interval.

1

2

BellSouth does not, itself, obtain building permits. Instead, BellSouth's contractors or sub-contractors who perform the work obtain any required building permits. BellSouth's contracts require that the contractors obtain building permits as required by the local codes applicable at the site where the work is to be performed. The standard language in Article 27 of BellSouth's master contract reads as follows:

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"ARTICLE 27 – COMPLIANCE WITH LAWS

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27.1 Contractor shall comply with the provisions of all applicable federal, state, county, and local laws, ordinances, regulations, and codes including, but not limited to Contractor's obligations, as an employer with regards to the health, safety and payment of its employees, and identification and procurement of required permits, certificates, approvals, and inspections in Contractor's performance of this agreement."

19

20

21

22

23

Given the requirements of the permitting process as described in detail on pages 36-43 of my direct testimony, it is entirely appropriate that the permitting interval(s) be excluded from the provisioning interval calculations.

24

Q. MR. MOSCARITOLO, ON PAGE 14-15 OF HIS TESTIMONY, ALLEGES THAT BELL SOUTH HAS FILED UNNECESSARY BUILDING PERMITS

25

1 IN ORDER TO IMPROPERLY DELAY THE TURNOVER OF SEVERAL
2 OF COVAD'S COLLOCATION SPACES IN FLORIDA. HOW DO YOU
3 RESPOND?

4

5 A. First, the examples cited by Mr. Moscaritolo underscore the need to
6 exclude permitting time from the provisioning interval. It is a routine
7 occurrence for a building inspector to require the correction of any
8 perceived non-compliance with building codes any where on the premises,
9 even when the non-compliance item is unrelated to the work requested by
10 the building permit. For example, in a recent case involving work on the
11 second floor of a building in Florida, the inspector required updates of
12 material dealing with the flood plain as a condition of approving the
13 requested building permit.

14

15 Second, it is ludicrous to suggest that BellSouth would endanger its
16 reputation in local communities by filing spurious building permits with city
17 or county officials. All BellSouth is contending in arguing for an automatic
18 extension of time in connection with the building permit process is that
19 local government officials have legitimate concerns which they handle with
20 the resources available to them, and that, therefore, BellSouth is faced
21 with a situation which is beyond its control. As I discussed earlier,
22 BellSouth's contractors, not BellSouth itself, actually obtain the permits.
23 BellSouth's contractors have no reason to request needless permits or to
24 be other than diligent in seeking their speedy approval.

25

1 Q. MR. NILSON IMPLIES ON PAGE 16 OF HIS TESTIMONY THAT ONLY
2 ACTS OF GOD WOULD WARRANT AN EXTENSION OF TIME FOR THE
3 PROVISIONING OF COLLOCATION SPACE. DO YOU AGREE?

4

5 A. No. I am startled that Mr. Nilson would proffer such a restrictive proposal
6 that obviously flies in the face of basic common sense. As I stated in my
7 direct testimony, there are a number of valid reasons for an extension of
8 collocation provisioning intervals. Included among these are power plant
9 additions or upgrades; major mechanical additions or upgrades; major
10 upgrades for ADA compliance; and environmental hazard or hazardous
11 materials abatement. None of these constitute acts of God, but they are
12 certainly significant events related to activities within a central office.

13

14 Q. MR. NILSON, ON PAGE 16 OF HIS TESTIMONY, AND MR. MARTINEZ,
15 ON PAGE 18 OF HIS TESTIMONY, BOTH STATE THAT THE
16 COMMISSION SHOULD BECOME INVOLVED IN HEARING REQUESTS
17 FOR EXTENSIONS OF COLLOCATION PROVISIONING INTERVALS.
18 MR. LEVY, ON PAGE 20 OF HIS TESTIMONY, SUGGESTS THAT
19 ILECS BE REQUIRED TO WRITE ALECS A LETTER REQUESTING
20 PERMISSION TO MISS A STANDARD INTERVAL. MR. MOSCARITOLO,
21 ON PAGE 14 OF HIS TESTIMONY, SUGGESTS A NUMBER OF
22 BURDENS OF PROOF THAT AN ILEC WOULD HAVE TO SATISFY IN
23 THE EVENT THAT AN ALEC DID NOT AGREE WITH AN ILEC
24 REQUESTED EXTENSION OF THE STANDARD PROVISIONING
25 INTERVAL IN THE CASE OF A PARTICULAR OFFICE. WHAT IS YOUR

1 RESPONSE?

2

3 A. This Commission's decision in Dockets 981834-TP/990321-TP Order No.
4 PSC-99-1744-PAA-TP established specific procedures that an ILEC must
5 follow if it believes it will be unable to meet the applicable time frames and
6 the parties are unable to agree to an extension. The requirement reads, in
7 part, as follows:

8

9 If the ILEC believes it will be unable to meet the applicable
10 time frame and the parties are unable to agree to an
11 extension, the ILEC shall seek an extension of time from the
12 Commission within 45 calendar days of receipt of the firm
13 order. The request shall be styled as a Motion for Extension
14 of Time, instead of a waiver of this guideline. The ILEC shall
15 explain, in detail, the reasons necessitating the extension
16 and shall serve the applicant carrier with its request. The
17 applicant carrier shall have an opportunity to respond to the
18 ILEC's request for an extension of time. The Commission
19 will rule upon the request as a procedural matter at an
20 Agenda Conference.

21

22 BellSouth believes this process is reasonable and adequately addresses
23 the ALECs concerns on this issue.

24

25 BellSouth, for its part, notifies affected ALECs as soon as BellSouth

1 becomes aware that a delay may be imminent, whether the cause be an
2 act of God or for some of the other many legitimate possible causes
3 discussed herein. Further, BellSouth explains the reasons for any needed
4 delay to any affected ALECs.

5
6 Q. MS. CLOSZ OF SPRINT STATES ON PAGE 25 OF HER TESTIMONY
7 THAT "SPRINT BELIEVES THAT AN OPEN DIALOGUE REGARDING
8 COLLOCATION PROVISIONING SCENARIOS WILL IN MOST CASES
9 LEAD TO MUTUAL AGREEMENT BETWEEN THE PARTIES
10 REGARDING THE APPROPRIATE PROVISIONING INTERVAL." WHAT
11 IS YOUR RESPONSE?

12
13 A. I believe Ms. Cloz is absolutely on target. For example, BellSouth has
14 accompanied or offered to accompany ALEC personnel to visit with city
15 officials in Jacksonville, Florida, and Ft. Lauderdale, Florida, so that the
16 ALEC could hear first hand the issues involved in a particular permit. In
17 other cases, BellSouth has provided ALECs with building permit numbers
18 so that the ALECs could verify for themselves the status of particular
19 projects.

20
21 Q. MR. LEVY SUGGESTS ON PAGE 20 OF HIS TESTIMONY THAT THE
22 NOTICE OF AN INTERVAL DELAY DOES NOT COME "UP FRONT" IN
23 THE APPLICATION PROCESS BUT LATER DURING THE
24 PROVISIONING INTERVAL. WHAT IS YOUR RESPONSE?

25

1 A. BellSouth informs ALECs of any delays or potential delays as soon as it
2 becomes aware of them. BellSouth cannot know in advance when or from
3 where some delay might occur during the provisioning process, thus it
4 cannot inform ALECs of delays "up front."
5

6 **ISSUE 20: What process, if any, should be established for forecasting**
7 **collocation demand for CO additions or expansions?**
8

9 Q. MR. HUNSUCKER STATES ON PAGES 29-30 OF HIS TESTIMONY
10 THAT SINCE THE FCC'S RULES REQUIRE THAT ILECS "TAKE INTO
11 ACCOUNT PROJECTED DEMAND FOR COLLOCATION OF
12 EQUIPMENT", HE PROPOSES THAT ALECS SHOULD BE REQUIRED
13 TO PROVIDE AN ANNUAL FORECAST (FOR A THREE YEAR PERIOD)
14 OF SPACE REQUIREMENTS BY PREMISES. ADDITIONALLY, THE
15 ILEC WOULD BE REQUIRED TO MAKE A REASONABLE ESTIMATE
16 OF ADDITIONAL ALEC SPACE REQUIREMENTS FOR THOSE ALECS
17 NOT CURRENTLY COVERED BY A CONTRACT. PLEASE COMMENT.
18

19 A. Each central office has its own set of growth dynamics driven by
20 numerous obvious factors, such as the location of the central office (rural,
21 suburban, or urban), the market served (residential, office, industrial, etc.),
22 and the historic growth rate (stable, expanding, declining). BellSouth
23 stands ready, in the case of any particular central office, to discuss the
24 reasonableness of the forecasts it adopts. BellSouth's planners are
25 charged with the responsibility of doing the detailed work necessary to

1 establish a reasonable forecast. BellSouth allows itself no more favorable
2 terms regarding forecast horizons than it does for collocators. In general,
3 BellSouth employs a two-year forecast window for itself.

4
5 As to the suggestion by Mr. Hunsucker that the ILEC should make a
6 reasonable estimate of additional ALEC space requirements for those
7 ALECs not currently covered by a contract, BellSouth plans for collocation
8 space based on forecasts derived from the following sources: space
9 currently allocated for collocation, the amount of space requested in either
10 current applications or collocators on a waiting list for that central office,
11 and the amount of collocation space in central offices in the surrounding
12 area. BellSouth encourages ALECs to provide forecasts periodically for a
13 planning horizon of two years such that BellSouth can take ALEC
14 forecasts into account as one factor when planning for central office
15 additions, expansions, or replacements. Should this Commission issue
16 any requirements regarding forecasting demand for central office additions
17 or expansions, it should encourage ALECs to provide forecasts
18 periodically for a planning horizon of two years to be used as a factor for
19 planning purposes. BellSouth is not privy to the business plans of its
20 competitors, and can only estimate their future collocation needs. Any
21 requirements that are issued should be clear that an ILEC is only required
22 to consider the forecasts that are received, and that the receipt of any
23 forecast(s) does not constitute a guarantee that the ILEC will construct or
24 lease space for collocation by any particular ALEC.

25

1 Q. MR. LEVY PROPOSES ON PAGE 22 OF HIS TESTIMONY THAT THE
2 ILECS USE THE APPLICATIONS FILED BY ALECS AS THE BASIS FOR
3 FORECASTS OF FUTURE SPACE NEEDS. WHAT DO YOU REACT TO
4 THIS SUGGESTION?

5

6 A. It is reasonable to believe that the ILECs cited by Mr. Levy may have used
7 the applications as part of the basis for their forecasts in the initial stages
8 of collocation; however, applications by themselves do not provide
9 adequate information for forecasting future needs. BellSouth believes that
10 specific forecasts by individual ALECs on a periodic, ongoing basis
11 provide the best foundation for BellSouth or any ILEC to develop
12 integrated forecasts for particular central offices.

13

14 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

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16 A. Yes.

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1 BY MS. WHITE:

2 Q Mr. Milner, would you please give a summary of
3 your testimony, keeping in mind Commissioner Deason's
4 admonition of five minutes or more only if you ask for it
5 and the panel gives it.

6 A Yes, ma'am. I believe it will be less than five
7 minutes. Good afternoon. My name is Keith Milner, and my
8 testimony addresses Issues 3, 4, 9, 10, 11, 12, 16, and 20.

9 Issue 3 addresses the issue of the definition of
10 the term premises as it pertains to physical collocation and
11 as it is used in the Act, the FCC's orders, and the FCC's
12 rules. Now, the Act does not provide a definition, but the
13 FCC's recent order did provide a -- or rather the FCC's
14 first report and order did provide a definition, and that is
15 we, that is the FCC, therefore interpret the term premises
16 broadly to include LEC, central offices, serving wire
17 centers, and tandem offices, as well as all buildings or
18 similar structures owned or leased by the incumbent LEC that
19 house LEC network facilities. We also treat as incumbent
20 LEC premises --

21 COMMISSIONER DEASON: Mr. Milner, I know you want
22 to do it under five minutes, but the court reporter has got
23 to last the rest of the day.

24 THE WITNESS: Okay. I apologize to her and to
25 you.

1 We also treat as incumbent LEC premises any
2 structures that house LEC network facilities on public
3 rights-of-way, such as vaults containing loop concentrators
4 or similar structures. And I believe that if the FCC
5 intended to broaden its definition it had an opportunity to
6 do so in that order, but it chose not to do so.

7 Now, others have attempted to define adjacent
8 facilities, such as controlled environment vaults or the
9 like as BellSouth premises. However, I believe that those
10 structures do not rise to that definition. And I believe
11 this because the resulting structure, whether it is
12 constructed by the collocator or otherwise procured, would
13 not be owned by BellSouth and thus it doesn't fit the
14 definition.

15 Second, the resulting structure would not house
16 BellSouth's telecommunications equipment, and for that same
17 reason would not rise to the definition. Now, some parties
18 have suggested that buildings housing BellSouth's
19 administrative and support personnel and which are on
20 parcels of land adjacent to or perhaps near BellSouth
21 central offices should likewise be considered premises.
22 Now, these buildings do not house network facilities and
23 thus are not subject to the requirements for collocation.

24 I believe this Commission should affirm that the
25 definition as set forth in the Telecommunications Act and

1 the FCC rules are sufficiently broad, and that CEVs and
2 similar structures are not -- while they are allowed on
3 BellSouth's property, are not BellSouth's premises.

4 Issue 4 addresses what obligations, if any,
5 incumbent LECs have to interconnect with ALEC physical
6 collocation equipment off-premises. First, my understanding
7 is that an ALEC's equipment within its own central office
8 would not fit this definition. It is a form of
9 interconnection between the ALEC's network and BellSouth's
10 network, so I believe the term off-premises physical
11 collocation is a reference to space that an ALEC may rent or
12 own that is in proximity to a BellSouth central office.

13 The ALEC's equipment in such a situation would be
14 interconnected to BellSouth's network in the same way that
15 it is interconnected to BellSouth's network as if it was in
16 the ALEC's central office. So here I believe that the
17 Commission should affirm that consistent with the FCC's
18 rules, BellSouth is not required to accommodate requests for
19 non-fiberoptic facilities, that is copper and coaxial, to be
20 placed in BellSouth's entrance facilities, instead to
21 observe the interconnection rules that the FCC previously
22 established.

23 Issue 9 addresses appropriate demarcation points
24 between the incumbent LEC's facilities and the ALEC's
25 facilities. And I believe that the parties can interconnect

1 their networks at any technically feasible point. The
2 important point I believe is that the demarcation point,
3 wherever it is, be very clearly identified such that it is
4 clear to the parties that on one side of that demarcation
5 BellSouth is responsible and on the other side of the
6 demarcation the ALEC is responsible.

7 Issue 10 addresses reasonable parameters for
8 reserving space. The FCC said in its first report and order
9 that restrictions on warehousing of space are appropriate
10 because collocation space on incumbent LEC premises may be
11 limited. And I agree with that. The issue of warehousing
12 is where a party might have reserved for it space that it
13 may not actually use.

14 And as good stewards of the available space in
15 the central offices, I believe that if a party has reserved
16 space but does not have a use for it, then someone else who
17 does need that space can use it. And that term would apply
18 to BellSouth as well as ALECs. However, for the purpose of
19 exchanging forecasts, I believe a two-year planning horizon
20 gives adequate notice of the parties as to what they are
21 expected needs for collocation space might be.

22 Issue 11 deals with administration --
23 administrative space, rather, where the ILEC claims that
24 there is not sufficient space for collocation. Now,
25 BellSouth's definition of administrative space is that space

1 inside the central office that is used for something other
2 than the direct support of the installation or maintenance
3 of the equipment. Examples of this might be storerooms or
4 breakrooms or the like.

5 The demands for space within central offices are
6 not the same. They are unique, and so are the amounts of
7 equipment, the number of people that are required to
8 maintain that equipment and repair it if it breaks. So
9 while ALECs may argue that some or all of these
10 administrative purposes are not indispensable, and argue
11 that BellSouth must relocate or dispose of that space, this
12 Commission, I believe, should affirm that BellSouth's use of
13 administrative space is a practical use of the available
14 space within the central office.

15 Issue 12 addresses the types of equipment that
16 ILECs are obligated to allow in physical collocation. The
17 FCC's recent order describes fairly specifically the types
18 of equipment. However, the FCC did not require the
19 collocation of equipment used solely to provide enhanced
20 services, and thus I believe that BellSouth's position
21 regarding the types of equipment that may be collocated have
22 been and will continue to be compliant with the FCC's rules.

23 Next, Issue 16 addresses the reasons that
24 provisioning intervals may be extended without the need of
25 agreement by the parties or by filing of some request before

1 this Commission. I believe there are three cases where an
2 interval may have to be extended beyond that that was
3 estimated, and they are briefly the provisioning of
4 arrangements where extraordinary conditions are encountered,
5 some of these conditions are asbestos removal, major
6 upgrades of the power plant and the like. The second case
7 is unusual delays encountered during the permitting process,
8 and the third case is provisioning delays associated with
9 central office additions, that is where additions to the
10 building are being made.

11 And last, Issue 20 addresses the process for
12 forecasting collocation demand. But first I will just say
13 that BellSouth is not privy to ALECs' business needs, and
14 although we are not required to construct space to
15 accommodate collocation, where we do construct space we are
16 obligated to take into consideration the ALEC's forecast and
17 we believe that a two-year forecast period is appropriate.

18 Thank you. That concludes my summary.

19 MS. WHITE: Before tendering Mr. Milner for
20 cross-examination, we forgot to ask if it would be
21 appropriate for Mr. Hendrix to be excused.

22 COMMISSIONER DEASON: Yes, that will be fine.

23 MS. WHITE: Thank you. Mr. Milner is now
24 tendered for cross-examination.

25 MR. REHWINKEL: Mr. Chairman, by agreement with

1 Mr. Melson, he has agreed that I could follow him ahead of
2 Mr. Hatch if that is okay with the chair.

3 COMMISSIONER DEASON: No problem. Mr. Melson.

4 CROSS EXAMINATION

5 BY MR. MELSON:

6 Q Mr. Milner, Rick Melson, and I'm wearing both
7 Rhythms and MCI hats today. I asked Mr. Hendrix whether
8 there were several offices in Florida that had been the
9 subject of waiver requests where BellSouth ultimately found
10 space for cageless collocation. Are you aware of those?

11 A Yes, I am.

12 Q And in any of those central offices has BellSouth
13 built enclosures around its own equipment?

14 A No.

15 Q Do you have any other situations outside of those
16 three cases in Florida where cageless collocation exists in
17 BellSouth line-ups?

18 A Did you says outside of those six central
19 offices, or just --

20 Q Yes, sir, outside of those six.

21 A I'm not sure. I mean, we have provisioned a
22 number of cageless collocation arrangements. I think the
23 definition is whether or not that is inside or outside of
24 BellSouth's line-up. There may be -- I don't know the
25 answer to the question. But we have provisioned a number of

1 cageless arrangements.

2 Q But to the best of your knowledge anytime there
3 has been a cageless arrangement in a BellSouth line-up,
4 BellSouth has not, in fact, enclosed its own equipment?

5 A Not to date. We are still studying that, by the
6 way. But to date we have not constructed such an enclosure.

7 Q And, in fact, how do you provide security in that
8 type of situation?

9 A I'm sorry?

10 Q In those handful of offices where you have
11 provided cageless collocation in BellSouth's line-up, what
12 have you done for security?

13 A Well, our ordinary security precautions, such as
14 key card access or very careful control of keys, maintaining
15 logs of who is in the central offices at a given time, which
16 is done automatically with the key card. Done manually for
17 metallic keys. But all the other security measures that we
18 have taken, including background checks on our employees as
19 well as ALEC employees. All of those things. The only
20 measure we have not taken to date is that of physically
21 constructing a cage around our own equipment.

22 Q All right. Let me talk with you for a minute
23 about interconnection at remote terminals. Can you -- well,
24 let me ask this. For purposes of this discussion, can we
25 define a remote terminal as a place where BellSouth would

1 bring in copper distribution facilities and connect them in
2 a way that they travel out on fiber feeder?

3 A That is one possibility. Let me take, let me
4 provide my own definition, which is a bit different.

5 Q All right.

6 A What we are talking about in terms of remote
7 terminals, I believe, is remote terminals which are part of
8 the loop facilities, I believe is what you mean. They are
9 often housed in these metallic silver or green boxes that
10 you see alongside the road. So leaving the BellSouth
11 central office, that first part we refer to as loop feeder.
12 Some people call that the first mile. The last mile is
13 referred to as loop distribution.

14 Where those things come together and either are
15 mechanically fastened together or through electronics
16 connected together is what we are referring to as a metal
17 box that houses equipment such as multiplexers or
18 fiber-optic terminals. So, yes, it may be the place where
19 copper distribution pairs meet fiber-optic facilities, but
20 also commonly is a place where it meets copper loop feeder
21 facilities.

22 Q All right. Are you aware that a DSL provider
23 such as Rhythms requires typically copper connectivity from
24 the customer premises to its equipment that is known as a
25 DSLAM?

1 A Yes, I understand that.

2 Q If you had a situation where the remote terminal
3 is essentially moving from copper to fiber, your
4 understanding, is it not, that under the FCC's Advanced
5 Services Order you are required to permit collocation at
6 that remote terminal?

7 A Yes, I understand that. By the way, we have
8 already -- BellSouth has already offered to do that as part
9 of unbundling loop distribution, for example. So we already
10 have a method that we believe works well where an ALEC may
11 connect its own facilities to the loop distribution part,
12 may house its own equipment close by, or in that remote
13 terminal, such as DSLAMs.

14 Q Well, in your rebuttal testimony, in fact, at
15 Page 11, Lines 11 through 17, you discuss collocation at
16 remote terminals, and you make the point there that
17 sometimes there is not physical space within that green or
18 silver box to place the ALEC's equipment. And in that
19 situation permitting the ALEC to build its own box, you
20 know, in close proximity and then construct a tie between
21 your box and the ALEC's box is an acceptable method of
22 providing that collocation, is that right?

23 A It is acceptable to BellSouth, yes.

24 Q And in that situation you would agree with me,
25 would you not, that the ALEC's green box is not a BellSouth

1 premises as you defined premises?

2 A Absolutely.

3 Q What reason, then, do you object to extending
4 that same type of interconnection to a central office
5 facility where space is exhausted, there is no room in the
6 central office for collocation. Is there any reason the
7 same principle would not apply to allow an ALEC to obtain
8 its own space in an adjacent building and to simply create a
9 tie between the BellSouth central office and the ALEC space?

10 A Well, you zigged and I zagged. I anticipated
11 most of your question. Here is -- first of all, the
12 principle that we just talked about where the BellSouth
13 remote terminal and the ALEC's remote terminal are in
14 proximity to each other is the same parallel that I believe
15 is appropriate where space is legitimately exhausted in the
16 BellSouth central office, that the ALEC may, as the FCC
17 says, construct or otherwise procure a controlled
18 environment vault, or CEV, or something like that that might
19 be buried in the parking lot in BellSouth's -- on
20 BellSouth's property.

21 Where you and I may differ is that BellSouth
22 doesn't believe it has got an obligation to provide that
23 form of interconnection when the ALEC puts that CEV on
24 something other than BellSouth's property, in the parking
25 lot or something like that.

1 Q In the remote terminal situation in which you
2 would permit that type of collocation, you would agree with
3 me, wouldn't you, that the ALEC's green box would not be on
4 BellSouth property in that situation?

5 A Yes, I would agree with that. And the reason
6 that I believe it is different in the central office case is
7 that the most common arrangement is that the ALEC's
8 equipment is in its own central office or space that it has
9 leased perhaps, and there are already a number of different
10 forms of interconnection between that equipment and
11 BellSouth's equipment. Fiber-optic based, you know, you
12 name it.

13 So there are a number of ways already identified
14 that those two networks can come together. What you seem to
15 be suggesting is that BellSouth has an obligation to get its
16 facilities onto someone else's property which we would have
17 to do to get to that CEV if it was not on our property. And
18 it's that part that I object to.

19 Q Okay. And, Mr. Milner, let's try to -- I know
20 there are a lot of things that could happen, and an ALEC
21 could simply decide I want to put my equipment in an
22 adjacent building and require BellSouth to interconnect. I
23 want to focus on the situation in which a DSL provider has
24 tried to get space in your central office because it wants
25 to be there to connect to copper, and you have said space is

1 legitimately exhausted. And let's also assume it is a
2 building downtown that doesn't have any parking lot space.
3 There is no place to put a controlled environmental vault on
4 or at the BellSouth premises.

5 In that situation, if the ALEC as a second best
6 alternative is able to lease space in the building next
7 door, how is that -- is there any way in which that is not
8 analogous to the remote terminal collocation that we just
9 finished discussing?

10 A Yes, I think there are some differences. What
11 you have just described is interconnection between the
12 ALEC's network and BellSouth's network. What we are talking
13 about here is the manner in which those two networks will
14 get connected. The FCC established rules that says
15 essentially that space in the entrance facilities, that is
16 in the vault, the cable vault, is a limited commodity, and
17 that ought to be reserved for bringing fiber-optic cables in
18 not, you know, copper cable.

19 So to the extent in your example that the ALEC
20 wanted to rent that space next door and interconnect with
21 BellSouth on a fiber-optic basis, we have got no concern
22 with that. That falls very neatly into the forms of
23 interconnection we are using and the FCC's rules on the
24 types of facilities that can be brought through the
25 entrance, the cable vault and the like.

1 Q Well, would you agree with me, though, that for a
2 DSL -- you agreed with me earlier, I believe, that the DSL
3 provider requires copper connectivity typically from the
4 customer premises to its DSLAM, is that correct?

5 A Yes.

6 Q So would you agree with me the form of
7 interconnection you described, which is using fiber
8 interconnection facilities between the BellSouth central
9 office and an adjacent premises would not meet the needs of
10 a DSL provider?

11 A No, I wouldn't necessarily agree with that. And
12 the reason is that the fiber-optic facilities that BellSouth
13 uses in its outside plant are usually channelized to a bit
14 rate, a data speed of 64 kilobits apiece. I understand that
15 ALECs want to use DSL that allows speeds much higher than
16 that, and there is fiber-optic equipment that would
17 accommodate DSL over fiber. So they are not mutually
18 exclusive. I mean, copper all the way is one way to do it,
19 but there are fiber-optic solutions, as well.

20 Q Let me ask this, do you have a copy of the FCC's
21 Advanced Services Order?

22 A I believe I do, yes.

23 Q Okay. Could you turn to Paragraph 8 of that
24 order?

25 A Is this in the executive summary, just to make

1 sure --

2 Q Yes, sir.

3 A Yes, I'm there.

4 Q And the second bullet there says a collocation
5 method used by one incumbent LEC or mandated by a state
6 commission is presumptively technically feasible for any
7 other incumbent LEC. Do you see that?

8 A Yes, I see that.

9 MR. MELSON: Commissioners, I'm going to ask Ms.
10 McNulty to hand out an excerpt from a Texas Commission order
11 dealing with a form of collocation.

12 BY MR. MELSON:

13 Q Mr. Milner, this is an excerpt from what is
14 called a supplemental collocation tariffs matrix. It was
15 part of a Texas Public Utilities Commission order defining
16 the provisions of BellSouth -- Southwestern Bell, excuse me,
17 was required to put in its collocation tariff. It is a
18 document the Commission has taken official notice of, and I
19 will represent to you that these three pages are the ones
20 that dealt with what the Texas Commission called adjacent
21 off-site arrangement.

22 Could you -- let me ask, I have highlighted your
23 copy, I would ask you to read the highlighted material to
24 yourself just briefly, and then let me ask you a couple of
25 questions about it.

1 A Yes, I have read it.

2 Q All right. And is a fair summary of the
3 Commission's findings there in that third column that if
4 space is legitimately exhausted in a BellSouth premises that
5 Bell is required -- or Southwestern Bell in this case is
6 required to extend UNEs to an adjacent off-premises location
7 in an adjacent building essentially within a city block of
8 the BellSouth -- of the Southwestern Bell central office?

9 A Yes, that is a fair summary.

10 Q All right. Is there anything in your testimony
11 that you believe would rebut the presumption that this Texas
12 Commission mandated form of collocation is not technically
13 feasible for BellSouth?

14 A Yes. I think that the parts of my testimony that
15 deal with the FCC's rules on the types of facilities that
16 may be brought through entrance facilities are in direct
17 conflict with the findings of the Texas Commission. If you
18 would like I will point you to specific places.

19 Q Well, rather than you pointing me, let me point
20 you. And would you agree with me that the FCC's rule that
21 you cite in your testimony, I believe that is Section
22 51.323, permits interconnection of copper or coaxial cable
23 if such interconnection is first approved by the state
24 commission?

25 A Yes, I agree with that.

1 Q All right. And, in essence, the Texas Commission
2 by mandating this type of adjacent off-site collocation has,
3 in effect, approved interconnection via copper?

4 A That seems to be the result. What I don't find
5 in the pages that you showed me is an analysis or discussion
6 of the technical feasibility, and no mention of the specific
7 FCC rules that we are referring to.

8 Q And the technical feasibility, if I understood
9 your testimony correctly, is simply that copper occupies
10 more space in a conduit and the conduit fills up more
11 quickly, is that correct?

12 A Not only the conduit, but there is a fixed amount
13 of cable entrance facility. There is a fixed amount of
14 copper cables that can be brought into a given vault without
15 exhausting that facility entirely. Copper cables physically
16 are much larger than fiber-optic cables, therefore, that
17 same amount of entrance facility can accommodate far more
18 capacity on a fiber-optic basis than on a copper cable
19 basis. So it is on that basis that I claim that that use of
20 copper through the entrance facilities is not technically
21 feasible, and I don't find it discussed in these pages.

22 Q Let me ask this, if space is not available in the
23 central office, one option BellSouth would have would be to
24 increase the amount of central office space, is that
25 correct?

1 A That is an option to BellSouth, yes.

2 Q Wouldn't another option be to increase the
3 entrance or reinforce or add additional entrance facilities
4 to accommodate off-site adjacent collocation?

5 A That is possible in some cases and not possible
6 in others.

7 Q So it is not a blanket -- not a blanket technical
8 infeasibility, you are saying it may be technically
9 infeasible in some situations?

10 A Well, what I'm saying may be technically
11 infeasible is the ability to expand the amount of entrance
12 facilities beyond what are there right now.

13 Q I believe you said during your summary that the
14 important thing about a demarcation point between an ALEC's
15 facilities and BellSouth's facilities is that it be an
16 identifiable place where one company's responsibility ends
17 and the other company's responsibility begins, is that
18 correct?

19 A Yes.

20 Q And I believe you also indicated in your rebuttal
21 testimony that the ALEC collocation site within the central
22 office would be one appropriate demarcation point?

23 A I'm sorry, say your question again.

24 Q Okay. Isn't it true that in your rebuttal
25 testimony you acknowledge that the ALEC's collocation site

1 within a central office would be one appropriate demarcation
2 point?

3 A Yes. I recall that Sprint's witness, Ms. Closz,
4 made that point. I agreed that a demarcation at that place
5 is one of potentially several different ways of establishing
6 demarcation between what BellSouth is responsible for, and
7 in that case what Sprint would be responsible for.

8 Q I guess I'm trying to understand how that meshes
9 with your testimony that BellSouth's position is that the
10 demarcation point must be at the conventional distributing
11 frame?

12 A Well, that is one place. I believe the part of
13 my testimony that you're referring to talked about for
14 analog, that is copper facilities here, that is one place,
15 there is also the DSX, the digital cross-connect facility,
16 or even the light guide cross-connect facility. Those are
17 all technically feasible ways to interconnect networks. My
18 point is this, that wherever the demarcation is located, it
19 ought to very clearly, as you said, point out who is
20 responsible for what on either side of that.

21 Q And so if an ALEC requested a demarcation point
22 at its location and that demarcation point was capable of
23 clear specification, BellSouth would not object to using
24 that as the demarc point?

25 A The only exception that I can believe is the one

1 of the so-called pot bay, point of termination bay, where I
2 believe the FCC has been pretty clear that BellSouth may not
3 require that intermediary devices, such as POT bays, be put
4 in place between BellSouth's network and the ALEC's network.

5 Q Does the FCC prohibit -- I know it says a LEC
6 cannot require a competitor to use a POT bay as a demarc
7 point. Do you read that order to prohibit an ALEC who
8 wanted to use a POT bay as a demarc point from selecting
9 that?

10 A I don't see it as a prohibition. I think there
11 is practicality as to how many different demarcation points
12 there might be. But, no, I don't see it as a prohibition.
13 I believe what the FCC said and what BellSouth agrees to is
14 that if an ALEC wants to use one of these POT bays, it may
15 do so. We say that if you are going to do that, there may
16 be other more appropriate places to establish a demarc, but
17 we are not opposed to ALECs using POT bays if that is what
18 they would like to have in their network. We say let's
19 establish some other place as the demarcation, however.

20 Q But it would be technically feasible to establish
21 the demarc at the POT bay?

22 A Well, yes, we have used that. That has in the
23 past formed the demarcation point.

24 Q And it would be technically feasible to establish
25 the demarc at an ALEC's collocation space even if the ALEC

1 did not use a POT bay?

2 A Well, not necessarily. And the reason I say that
3 is that in the past we have used POT bays, and they usually
4 sit right on the edge of the collocation arrangement, so in
5 caged arrangements it is very clear that BellSouth extends
6 its facilities to one side of that, which is outside the
7 caged collocation arrangement, and then the ALEC's
8 facilities are on the inside of the caged arrangement.
9 Therefore, we can provide things without having to go inside
10 the arrangement.

11 So you said that you might establish the
12 demarcation point at the collocation arrangement, but not a
13 POT bay. And that is possible but, again, there has to be
14 some device that says -- you know, that makes it clear if it
15 is not a POT bay, you know, a question of what that device
16 was.

17 For this reason, I don't believe that ALECs
18 really want BellSouth doing work inside their collocation
19 arrangements. So that's why this issue of demarcation is so
20 important to us to clearly establish if it breaks on this
21 side, it's BellSouth; if it breaks on that side, it is the
22 ALEC's responsibility. So if not a POT bay, then something
23 else. So I think we need to be more precise than just say
24 that the demarcation is at the collocation arrangement,
25 because that by itself doesn't say where exactly that

1 demarcation exists.

2 Q But in a cageless situation where access to the
3 ALEC's rack was available to BellSouth, a demarcation point
4 at the ALEC's rack could be an identifiable point of
5 interconnection?

6 A No, not on the basis of what you just told me. A
7 rack, or as I use that term at least, the rack is just the
8 metal framework that the equipment is attached to. So if
9 there is not a demarcation point then you may be referring
10 to a demarcation somewhere on the ALEC's switching or
11 transmission equipment. And, here again, I don't believe
12 that is what you would really want us to do. Because to
13 determine, you know, whose network was in trouble or whose
14 network needed repair, we would have to do work in that
15 equipment, and I don't believe you would want us to do that.

16 Q Let me ask you for a moment about administrative
17 space. Assume you have got a central office that houses
18 BellSouth's network equipment and that has got some space
19 also devoted to administrative personnel.

20 A Okay.

21 Q And assume there is no physical collocation in
22 that office and there has not been a request for physical
23 collocation. So it is purely a BellSouth facility housing
24 just BellSouth equipment and BellSouth personnel.

25 A All right.

1 Q If BellSouth required additional space in order
2 to house equipment to meet the needs of its retail
3 customers, would it move those administrative personnel?

4 A Not necessarily. It would consider moving those
5 people, it would also consider a building addition. It
6 would also consider alternative serving arrangements. So,
7 no, if we ran out of space, our first reaction is not let's
8 move all the people out and then see what happens. That is
9 one possibility, but only one possibility.

10 Q Assume that there were no alternative
11 arrangements, and as a result of some unforecasted increase
12 in demand you did not have time to make a building addition.
13 Would you allow customers to go unserved or would you move
14 administrative personnel?

15 A Well, in that example -- let me answer first, we
16 would serve customers. I mean, that's what we are in
17 business to do. However, your hypothetical says that we
18 have looked at all of these other options and none of them
19 are very good. If I were the planner for that building I
20 might be looking for a new line of employment the next week.
21 We hope those things don't happen. So in answer to your
22 hypothetical, if that was the only solution left and the
23 choice was serve customers or move our people, we would move
24 our people.

25 Q Okay. And now let's assume a collocater wants

1 space in that office, and the only choice is not serve the
2 collocator customer or move your people. My understanding
3 is BellSouth's position is you would not move your people?

4 A Well, here again -- that's right. But, here
5 again, your hypothetical says that other possibilities have
6 been either rejected or found to be not workable such as,
7 you know, other forms of interconnection, virtual
8 collocation, you know, adjacent collocation in a CEV. So
9 your predicate is that all of those things have been
10 examined and rejected.

11 Q Well, I guess my predicate is if there is space
12 for virtual collocation, isn't there by definition space for
13 cageless physical collocation?

14 A Not necessarily. Virtual collocation conceivably
15 could mean the collocation of less than a full bay of
16 equipment, conceivably. Not very often, if ever. Physical
17 collocation on the other hand by the FCC's rule, says that
18 it is at a minimum of a single bay of equipment.

19 Q All right. But absent that, absent the situation
20 in which a collocator wanted less than a full bay of
21 equipment, if there is space for virtual collocation there
22 is by definition space for cageless physically?

23 A I'm sorry, say your question again, I missed it
24 the first part.

25 Q For a collocator who wants more than one -- a bay

1 or more than one bay worth of equipment, if there is space
2 to accommodate that on a virtual basis, by definition there
3 is space to accommodate it on a cageless basis?

4 A In that case, yes.

5 Q All right. Let's talk just for a minute about
6 extension of intervals. And what you said in your summary
7 and what you say at Page 35 of your direct testimony
8 describing, I believe, three situations in which you believe
9 an extension of interval should be permitted without an
10 agreement by the ALEC or approval by the Commission, you
11 listed extraordinary conditions, you listed unusual delays
12 in permitting, and you listed, I believe, CO building
13 additions, is that right?

14 A Yes, those are the three.

15 Q In another place in your testimony at Page 44,
16 isn't it your recommendation that whether it is unusual or
17 not that all permitting time frames be excluded from the
18 calculation of the provisioning interval?

19 A Yes, because BellSouth has no control over that
20 part of the interval. And what we should be held
21 accountable to is those things that we do directly control.

22 Q In that case, why do you need a further exception
23 for unusual delays in permitting? If you have excluded the
24 entire permitting process in the first instance, what
25 possible basis would there be for a further exception?

1 A Well, because we use our experience in a given
2 area to estimate what the space ready date is as we call it
3 that we would make that space available, so we anticipate a
4 certain amount of delay from the permitting process. I
5 mean, it is a human-oriented process and it takes time to
6 do. So that when we state intervals in terms of days, we
7 should exclude that amount of time that is outside
8 BellSouth's control, that is while the permitting agencies
9 are doing their work.

10 Q The Commission in its -- the guidelines that it
11 adopted for collocation in a PAA order in this docket
12 established 60 and 90-day intervals for virtual and physical
13 respectively, and set up a mechanism whereby if that
14 interval could not be met, you would first -- BellSouth or
15 the ILEC would first attempt to negotiate with the ALEC an
16 extension, and failing that would come to the Commission.
17 Are you familiar with that procedure?

18 A Yes, I am.

19 Q And as the Commission established that procedure
20 there was no exception in it for permitting time frames?

21 A The issue was discussed, but I believe you are
22 right.

23 Q Okay. And so what BellSouth's position is --
24 what your position is is that an exception ought to be added
25 to that for permitting time frames?

1 A Yes.

2 Q Okay.

3 A Well, again, when I say an exception to that, I'm
4 talking about unusual delays in the permitting process.

5 Q Well, you are saying that the permitting time
6 should be excluded from the calculation of whether -- your
7 testimony is that the provisioning interval should be tolled
8 while the permitting process goes on, is that correct?

9 A Yes, I think the clock should be stopped.

10 Q And you are asking the Commission to add that
11 stop the clock provision to their existing guidelines?

12 A Yes.

13 Q What is wrong with if you have a permitting
14 situation outside of your control that causes you to be
15 unable to meet the 60 or the 90 days, what is wrong with the
16 process the Commission has in place? You go to the ALEC,
17 you explain that to them, and wouldn't you agree that in
18 most situations if there is indeed a valid permitting issue,
19 the ALEC is going to say, okay, you know, I will agree to
20 waive the 60 or 90 days?

21 A Well, what you just described is what happens in
22 practice just about every day where we encounter this
23 situation. So the parties are working well together, I
24 believe. And as soon as we identify that permits are not
25 going to be received in time for us to begin the work, then

1 we notify ALECs and tell them of the delay. For the most
2 part those discussions are fruitful and we agree to new
3 dates by which the collocation arrangement will be ready.

4 Q And if the discussions were not fruitful, you
5 have got the backstop of coming to the Commission and
6 saying, look, I'm dealing with an unreasonable ALEC. I've
7 got this permitting problem, I can't meet the 90 days. Give
8 me a waiver.

9 A Well, I won't characterize an ALEC as being
10 unreasonable. I know why they want what they want. I think
11 a better description of that is here is a situation where
12 the permits are not available to us, work cannot commence on
13 the time that we wanted it to, we have got a problem because
14 BellSouth cannot meet the date that the ALEC wants the
15 collocation by.

16 Q And you would expect in that situation if the
17 Commission with whatever investigation that staff has
18 undertook, agreed with you, that they would grant the
19 waiver?

20 A I would hope so, yes.

21 Q Okay. And wouldn't you think that if it was the
22 same ALEC six times in a row and the Commission granted six
23 waivers, that the ALEC might begin to get the notion that
24 maybe it is being a little unreasonable?

25 A Well, I'm not to going to step into the mind of

1 either the Commission or the ALEC and decide what they think
2 is likely to happen on the seventh occurrence.

3 Q I guess what I'm asking, Mr. Milner, is why do
4 you need an automatic tolling when you've got a procedure in
5 place that you yourself describe as working today and you
6 haven't yet got to the situation where you have had to come
7 to the Commission even to ask for a waiver because the
8 negotiation process has worked?

9 A Well, I agree with you, the negotiation process
10 is working, and I hope it continues to work. And I believe
11 that you and I would agree that the less of our disputes we
12 would to take to the Commission to get resolved the better
13 off we all are, not to use the Commission's resources any
14 more than we absolutely have to. However, I think that for
15 clarity, by excluding that part of those things that are
16 outside of BellSouth's control, you and I going into the
17 agreement have a much better view of the amount of work and
18 what the alternatives are if the permits are not received in
19 time.

20 I will also hasten to add that I believe that
21 ALECs and BellSouth have worked well together to approach
22 permittees, if that is the right term, permitting agencies
23 to explain our case. We want the permits as quickly as we
24 can get them so the work can commence. We have actually
25 jointly approached permitting agencies before, that is

1 BellSouth and ALECs, to explain our case and why we think
2 their interpretation of certain codes is not right.

3 Q Mr. Milner, just another sort of unrelated
4 question, but also on the permitting. Mr. Hendrix, I
5 believe, indicated that a building permit would be required
6 in a cageless situation if you put in an overhead light and
7 extending an air conditioning duct. Is that an area in
8 which you have any experience?

9 A I have some experience. Let me explain that
10 there are two kinds of lights. There are -- well, let's use
11 this room, for example. Inside a central office you would
12 see, you know, lights attached to the ceiling. They will be
13 spaced fairly far apart, and those lights are there to meet
14 the safety codes, and that is such that when you walk in and
15 turn the light on, turn the switch on that there is enough
16 light that you are not going to stumble into the equipment
17 by accident. So there is that kind of lighting.

18 There is also lighting that Supra has referred to
19 that is lighting actually on the equipment itself. So these
20 lights that we see in the ceiling are those lights that
21 BellSouth would provide within its collocation arrangement.
22 Those lights on the equipment would be the responsibility of
23 the ALEC.

24 Q To your knowledge, is a building permit required
25 to do that kind of equipment lighting?

1 A Yes. To change, to make wiring changes of the
2 overhead lights, my understand is that, yes, that requires
3 electrical permits. Likewise, extension of HVAC duct work
4 likewise in many cases requires mechanical permits.

5 Q And then the final topic I want to discuss with
6 you just briefly is space reservation. And my understanding
7 is it's your position, you accept the FCC's requirement that
8 ALECs and the ILECs be essentially at a parity with respect
9 to space reservation?

10 A I certainly do.

11 Q All right. What steps -- if an ALEC wants to
12 reserve space for two years, what steps does it take, what
13 is the process it follows to reserve that space?

14 A It would include its reserved space in its
15 request for, you know, 400, 500, whatever its space, the
16 amount of space it wants to use, it would include that
17 reserve space for future growth in that amount.

18 Q Okay. And that reserve space would then show up
19 on BellSouth's records essentially as collocation space that
20 this particular ALEC is leasing from you?

21 A Yes. And likewise, the space that BellSouth
22 reserves for itself would be on its side of the ledger and
23 would be in our reserve space needs, as well.

24 Q And what steps -- the ALEC goes through the
25 process of applying for the collocation space and of paying

1 you on a monthly basis for that space that it has reserved.
2 What process does BellSouth go through to document its space
3 reservation?

4 A We mark floor plans to show not only what
5 equipment is in place, but what equipment is planned in
6 certain aisles or line-ups.

7 Q Okay.

8 A For the foreseeable future.

9 Q For the foreseeable future. Do you reserve space
10 in that sense for more than two years?

11 A No, we don't. No.

12 Q What would trigger an ALEC's forfeiture of space
13 that it had reserved?

14 A Well, the same thing that might trigger
15 forfeiture of BellSouth's reserve space, and that is --

16 Q Well, let's focus first on the ALEC. What would
17 trigger an ALEC's forfeiture of space?

18 A The situation where -- I'm not sure of the exact
19 number of days, I think around six months had passed and the
20 ALEC had not begun to make any use of that, and another ALEC
21 has said, "I need space," and there is not other space in
22 that central office. So it is sort of a very conditional
23 thing. It is not being used by the ALEC who has it, another
24 ALEC wants to use it, there is not other available space in
25 the central office.

1 Q Okay. Would BellSouth forfeit its reserve space
2 under those same circumstances, it had not begun to use it
3 within six months and there was another request for space
4 that could not be satisfied elsewhere?

5 A Yes, we would.

6 Q So despite the fact that you had a plan to use
7 that space within the next two years, if six months after
8 the date you put it on your drawings as reserved you weren't
9 using it, it essentially would become available for
10 assignment to others if required?

11 A Yes, along those same conditions. We are not
12 using it, someone else needs to, and there is not other
13 available space in that central office.

14 MR. MELSON: All right. That was all I had,
15 thank you.

16 THE WITNESS: Thank you.

17 COMMISSIONER DEASON: Mr. Rehwinkel.

18 MR. REHWINKEL: Mr. Milner, Charles Rehwinkel
19 with Sprint. I hope to be very brief.

20 CROSS EXAMINATION

21 BY MR. REHWINKEL:

22 Q I just want to ask you, since you agree with Mr.
23 Melson that the FCC order doesn't prohibit demarcation point
24 at the POT bay provided by the ALEC, if the FPSC directed as
25 a result of this docket that a POT bay is an appropriate

1 demarcation point, BellSouth would not object or have a
2 problem with establishing a demarcation point at a POT bay?

3 A I don't believe we would object. I think we
4 would question whether that was the best arrangement for all
5 parties. I mean, we would want to discuss that with Sprint
6 in this case to see if there is not another demarcation
7 point that is more accessible and serves a better need.

8 Q But ultimately if that is where the ALEC or
9 Sprint in this case wanted to establish it, you would
10 establish it there?

11 A And I believe your predicate was and this
12 Commission has ordered that that is an acceptable
13 demarcation point, yes, sir.

14 MR. REHWINKEL: Thank you.

15 COMMISSIONER DEASON: Mr. Hatch.

16 MR. HATCH: Just one real quick question, I
17 believe.

18 CROSS EXAMINATION

19 BY MR. HATCH:

20 Q Would it be fair to say that in view of -- well,
21 let's step back a minute. You recall your conversation with
22 Mr. Melson regarding space reserved for BellSouth versus
23 space reserve for CLECs and ALECs?

24 A Yes.

25 Q Would you agree with me that it is basically

1 within BellSouth's control as to when and whether and how to
2 expanded space in a central office in terms of new
3 construction or other alternatives?

4 A Yes, if by that you mean constructing new space,
5 adding a floor, building a wing out, if that is what you
6 mean, then, yes, that is entirely within BellSouth's
7 latitude to decide whether we do that or not, yes.

8 Q Let's just assume for a moment that BellSouth has
9 reserved space in a central office and ALECs have occupied
10 the space, and one or more ALEC have reserved space. And
11 they are all approaching that six-month window in terms of
12 space not being used and subject for forfeiture. And
13 another ALEC comes in and wants space. How do you choose
14 which space to forfeit first?

15 A That is a very good question. First of all, we
16 have not, I don't believe, encountered that situation where
17 we have had to forcibly take space back. And, second, I
18 hope we never do. Before we do, we would go back to the
19 ALECs and, you know, find out if there is information that
20 we don't have that might narrow that list down somewhat.
21 But, gee, I have never really thought how would we decide
22 who was required forfeit and who did not. I don't know the
23 answer to that.

24 I mean, all other things being equal, I don't
25 know how we would decide if they had all applied on the same

1 date, the six months timed out on the same date, that sort
2 of thing, I don't know.

3 Q Since the central office is within your control
4 to construct new space, would it be fair to say to take your
5 space first?

6 A Not necessarily. Again, I think we would have to
7 consider all the facts and not just to do it in isolation,
8 but to consider what we know now that we might not have
9 known six months ago.

10 MR. HATCH: No further questions.

11 CROSS EXAMINATION

12 BY MR. GOODPASTOR:

13 Q Hi, Mr. Milner. This is Chris Goodpastor with
14 Covad Communications.

15 A Good afternoon, sir.

16 Q I have just got a few questions, follow-up. When
17 BellSouth makes a reservation of space in a central office
18 for future growth, does it notify ALECs at the point that
19 that space reservation plan is ready and prepared?

20 A No.

21 Q And when you are apportioning available space
22 among CLECs in a central office, you abide by the FCC order
23 that says first-come, first-served, is that correct?

24 A Yes.

25 Q Wouldn't it make sense to apply that same

1 first-come, first-served rationale to all entities
2 requesting to reserve space, including BellSouth's retail
3 division?

4 A Well, first of all, BellSouth's retail division
5 does not acquire space in BellSouth's central office.
6 BellSouth's network organization is responsible for planning
7 its network and its equipment. So the retail units do not
8 say I'm going to -- I need five bays of equipment.
9 BellSouth's network organization is the one that would plan
10 the amount of equipment and how it was configured and where
11 it was located.

12 Q Well, wouldn't it be equitable in that situation
13 to apply the same first-come, first-served rule such that if
14 an ALEC made a request for reservation of space before
15 BellSouth had notified the other ALECs that it wanted to
16 reserve space, then the first reserving ALEC should be
17 entitled to space for its reservation purposes?

18 A In principle that would be fine. BellSouth
19 reserves its space in response to its plant needs over the
20 next two years. We believe that is what ALECs would
21 likewise be doing, would be considering how much space they
22 are occupying now, how much equipment, which translates into
23 space that they would need.

24 The internal BellSouth organizations that respond
25 to requests for space treat BellSouth's needs and ALECs'

1 needs identically. I mean, we are pretty deep into our
2 planning organization. And they say have I got space for --
3 you know, do I have X number of square feet of space that
4 requires this sort of grounding and this amount of cooling
5 and that sort of thing.

6 So, yes, essentially that is already being done.
7 But BellSouth does not send its forecasts to ALECs as a
8 routine matter because what we do is aggregate our forecasts
9 with those that we receive and plan the building
10 construction process from those. I mean, that is what we
11 believe the forecasts are useful for.

12 Q Without knowledge of BellSouth's forecasts and
13 when those forecasts were created, an ALEC wouldn't have any
14 way to verify if its reservation of space was made before
15 BellSouth's, isn't that correct?

16 A No, not necessarily. Because if BellSouth were
17 to deny an application then one of the things that I believe
18 is shared is the floor plan that would show BellSouth -- you
19 know, a marked floor plan showing where BellSouth planned to
20 put its own equipment.

21 Q But that floor plan doesn't tell when BellSouth
22 made that reservation of space. So you couldn't determine
23 who actually first came and should be first served.

24 A You could not tell from that floor plan
25 necessarily. But there would be other records available

1 that would show when BellSouth had reserved space in its own
2 buildings.

3 Q Would BellSouth agree to notify ALECs when it
4 makes -- develops a plan to reserve space such that everyone
5 is aware of what space reservation and procedures may be
6 contemplated by BellSouth?

7 A That is something we would like to discuss
8 further. The question is to what level the forecast -- to
9 what level of granularity the forecast is provided.
10 Obviously we are willing to share information with you when
11 we crossover and when you can deduce business plans or
12 market plans from our forecasts, then we think we have
13 provided too much information.

14 And, likewise, we question how much of your own
15 business plan you would want shared with your competitors
16 and with BellSouth through the forecasting process. In
17 principle that sounds fine, we have got to reach a level of
18 understanding as to what information we are talking about
19 when we talk about exchange of forecasts.

20 Q Now, you mentioned that you are seeking sort of a
21 unilateral extension of provisioning intervals for
22 permitting delays, is that correct?

23 A Yes.

24 Q And your belief, or your basis for making that
25 request to the Commission is BellSouth's claim this it

1 doesn't control any of the permitting process, is that
2 correct?

3 A Ultimately we do not control that, yes.

4 Q Who in BellSouth decides they need to apply for a
5 building permit?

6 A Well, I don't know if there is a person.
7 BellSouth uses contractors for the installation of its own
8 equipment. The contractor determines the need for a permit,
9 and our master agreement with our contractor says that our
10 certified contractor will acquire whatever permits are
11 needed for the work that is going to be done.

12 Q And those certified contractors work for
13 BellSouth, isn't that correct?

14 A They work for us, they also work for ALECs. It
15 is the same list of certified contractors.

16 Q But BellSouth is the entity that hires those
17 certified contractors, isn't that correct?

18 A No, we hire them for our own needs. But you
19 would hire off that same list for your needs.

20 Q Well, for any work that is done outside of an
21 ALEC's collocation space, BellSouth would hire that
22 contractor, isn't that correct?

23 A Maybe and maybe not. Let me clarify something
24 that was discussed earlier, I believe, when Mr. Hendrix was
25 here. I don't want to leave the Commission with the notion

1 that there is a wall or an invisible wall around a
2 collocation arrangement, and if you go over that wall then
3 that automatically means that BellSouth has to do that work.
4 It is not quite as clear as that would be.

5 What is the case is that if there is work that
6 has to be done outside of that physical dimension, but it
7 only affects or potentially affects that one ALEC, we are
8 fine with you doing that work. Which includes power work,
9 some duct work, you know, all of the stuff within the
10 arrangement is done by the ALEC. There is also some other
11 work that is outside the physical dimension of that cageless
12 or caged arrangement that the ALEC also takes care of.

13 Q Okay. But, for instance, deciding whether an
14 HVAC vent needs to be put over the collocation space,
15 BellSouth makes that decision, isn't that correct?

16 A Yes, for the reason that the equipment in a
17 central office all releases heat, and that heat has got to
18 be dissipated. So that is one of those things where if I
19 decide unilaterally I'm not going to have sufficient cooling
20 over my equipment to keep it properly cooled because I know
21 my equipment is okay up to about 200 degrees, it could
22 adversely affect your equipment which is next to it.

23 When you or when I made the unilateral decision
24 I'm not going to have sufficient cooling, it doesn't hurt my
25 equipment, it may hurt yours. So that is the reason that

1 BellSouth believes that you need to take all users of space
2 in that central office, take their demands together since we
3 are talking about heating and cooling, aggregate that and
4 figure out the best way to cool all of that equipment.

5 Q But just to make sure it is clear, BellSouth
6 makes that decision in that instance?

7 A In that instance, yes.

8 Q And if that requires a permit, then the
9 engineering design that may trigger the need for a permit
10 would be due to BellSouth's engineering design, isn't that
11 correct?

12 A BellSouth on behalf of all the people that are
13 using the space in that building, yes.

14 Q Does BellSouth engage what is called a permit
15 expediter to expedite permits on behalf of ALECs?

16 A We have a group in Kentucky that generally
17 oversees the permitting process. I don't know if they have
18 someone there that they call an expediter, but that group
19 quickly becomes aware of unusual delays in obtaining
20 permits. So we don't have a formal title called expediter,
21 but we have people that are performing a function like that,
22 yes.

23 Q And does that group perform permitting functions
24 for both BellSouth and ALECs?

25 A Yes.

1 Q Does BellSouth use any other employees or
2 individuals to work with the local municipalities or other
3 governmental organizations to expedite these permits in that
4 area in Florida?

5 A Yes. I mean, we have property managers in all
6 nine states. The group that specializes in the permitting
7 process just happens to be located in Kentucky, but they do
8 that sort of work on behalf of BellSouth and ALECs for all
9 of our central offices, that is in all nine states. But
10 they are not the only people engaged in providing some
11 oversight and guidance to the permitting agencies. Earlier
12 when I mentioned that there were instances where BellSouth
13 and the CLEC -- or the ALEC rather jointly approached the
14 permitting agents, it was that group in Kentucky that flew
15 to Florida to go meet with them.

16 Q Well, the type of individual I'm referring to is
17 akin to, say, a lobbyist. Someone who will go check with
18 the local governments, make sure the permit is being
19 processed, make sure that it is flowing through the system,
20 make sure it doesn't get put on the wrong desk or anything
21 like that. Does BellSouth employ anybody in that specific
22 function?

23 A Not to handle solely that function. But the
24 contractors that we hire have that as part of their job
25 duties is to make sure that they get permits in a timely

1 fashion. And if they don't get it by the time that they
2 expect, then there are procedures to escalate that within
3 BellSouth.

4 Q When does BellSouth notify an ALEC that a permit
5 will be required in the provisioning and application
6 process?

7 A Well, let me clarify your question. Do you mean
8 for -- are we still talking about that example of heating
9 and air conditioning where BellSouth is doing that work on
10 behalf of all the space users, or are you talking about the
11 case where the ALEC's equipment may need an electrical or
12 other kind of permit?

13 Q I'm talking about any sort of permitting problem
14 that could delay the delivery of a space. And let me just
15 give you an example. Let's say Covad makes an application
16 on January 1 for collocation space, and subsequently, you
17 know, towards the end of the provisioning interval,
18 BellSouth notifies Covad that, well, we are going to have a
19 delay because we have a permitting problem.

20 Q When does BellSouth notify the ALEC that a permit
21 may be necessary to provision that particular collocation
22 space, whether it is for the elements requested in the space
23 itself or for elements that may go to the whole central
24 office?

25 A Okay. Thank you for that clarification. I don't

1 know that there is a process that we would notify the ALEC
2 that says I'm going to do heating and air conditioning work
3 and that requires a permit. However, more importantly I
4 believe is that as soon as we are aware that a permit is not
5 going to be acquired when we need it, we begin notifying the
6 ALECs that are affected by that.

7 Q Wouldn't it be easier for an ALEC to participate
8 in the permitting process and to maybe do its own expediting
9 of the permit if it were informed immediately when BellSouth
10 decided that a permit was needed and the grounds for that
11 decision?

12 A Yes, I believe that is something we could work
13 out, and we would welcome ALEC's participation in achieving,
14 you know, the acquisition of those permits.

15 Q Are you aware that Covad has proposed this to
16 BellSouth in collocation amendment negotiations?

17 A No, sir, I'm not.

18 Q But you would be willing, BellSouth would be
19 willing to agree to such a proposal in principle?

20 A In principle, yes.

21 Q When does BellSouth first know that a permit may
22 be required, at what stage of the process?

23 A Well, let me broadly describe the process. That
24 we determine through the ALEC's application for collocation,
25 that 30-day interval generally that we have been talking

1 about today identifies two things. It identifies how much
2 time it is going to take to do the work to get the
3 collocation arrangement ready and what that is going to
4 cost.

5 So in that 30 days there is usually an
6 identification of how much work is going to be done, then we
7 select one of our certified vendors, inform them of the
8 nature of the work, the scope of the work, and they make a
9 determination as to whether a permit is required or not.

10 Q And how many days after application does that
11 generally occur?

12 A I just don't know, I don't know.

13 Q Would BellSouth be willing to examine procedures
14 for expediting that notice to an ALEC to determine when a
15 permit is required?

16 A Again, in principle we welcome the ALEC's
17 participation in getting permits required to do the work.
18 So absent specific contract language between us, I can't say
19 that we have got an agreement, but we are certainly willing
20 to talk about that. It's in our mutual best interest to do
21 that.

22 Q Now, you will agree with me that the ALEC
23 companies here today are all competitors of BellSouth,
24 wouldn't you?

25 A Yes, and with each other.

1 Q And with each other. And if an ALEC can't get
2 collocation space in a particular central office, it can't
3 compete with BellSouth for customers in that central office,
4 wouldn't you agree with that?

5 A No, not necessarily. And the reason is because
6 there are other options available to the ALEC, such as
7 providing its own network facilities. That is not using
8 collocation as a means of market entry. They can provide
9 their own, they can do resale, there are a number of other
10 ways that an ALEC may choose to enter the market even
11 without collocation.

12 Q Okay. Let's assume for me that an ALEC doesn't
13 wish to do resale and an ALEC is not going to expend the
14 capital to develop its own network, but wishes to collocate
15 with BellSouth in a central office. Can you assume that for
16 me?

17 A Yes.

18 Q In that situation, if that ALEC can't get
19 collocation space then it can't compete with BellSouth or
20 other ALECs, isn't that correct?

21 A Well, no. Again, I don't agree because there are
22 other things like adjacent collocation. I mean, again, the
23 predicate is that we have gone down that list of all the
24 opportunities and we have rejected all of them. So it's
25 only once you get to the end of that pretty long list of

1 alternatives and you say none of those -- I have either
2 rejected or none of those is possible, then I would agree
3 with you. But only at that point.

4 Q Okay. Well, would you say it would be more
5 difficult for an ALEC to compete with BellSouth if it could
6 not get collocation space in a central office?

7 A No, not necessarily. It depends on the ALEC's
8 market entry plans.

9 Q Does BellSouth have a limit on the amount of
10 space an ALEC can request in a central office?

11 A Not to my knowledge, no.

12 Q Pardon me?

13 A You mean a maximum number of square feet that it
14 would allow?

15 Q Yes, sir.

16 A No, not to my knowledge.

17 Q Would you refer to Exhibit 1 to Mr. Hendrix'
18 testimony, proposed interconnection agreement, collocation
19 amendment?

20 A Yes, I'm there.

21 Q Paragraph 4.2, please, on Page 6?

22 A 4.2, did you say?

23 Q Yes, sir.

24 A Yes, I'm there.

25 Q And you see under that paragraph, "BellSouth

1 requires an ALEC to place equipment in its collocation space
2 within 180 days of turnover of that space," isn't that
3 correct?

4 A It at least must begin. It says it must place
5 operational equipment in there within 180 days, yes.

6 Q Okay. So within 180 days of receiving
7 collocation space from BellSouth an ALEC must have equipment
8 in that space and that equipment must be operational, isn't
9 that correct?

10 A Yes.

11 Q Does BellSouth apply these same conditions to
12 itself when it reserves space?

13 A Yes, it would. It does.

14 Q So if an ALEC reserved, say, 900 square feet of
15 space, but only had equipment in 50 square feet, but that
16 equipment was operational, would that ALEC be able to retain
17 the remaining 850 feet of reserved space?

18 A I would have to read this whole thing, but, yes,
19 that is my understanding. I mean, the notion is that you
20 begin using that space. And obviously if you have got a
21 forecast period in there all of that space is not going to
22 be used on day one. Ordinarily, you know, the amount of
23 space is going to be consumed over time. So we are talking
24 about the commencement of the use of that space within this
25 180 days, but not necessarily the entire usage of it.

1 Q Mr. Milner, does BellSouth place requesting ALECs
2 into conditioned collocation space before -- in a central
3 office if that is available before putting them in space in
4 a central office that has not been conditioned for
5 collocation?

6 A All other things being equal, yes. Now, let me
7 explain and make sure you and I are talking about the same
8 thing. When I talk about conditioned space, I'm talking
9 about space that has overhead lighting, that generally has
10 heating and cooling, that there is a power plant that could
11 be accessed. That doesn't mean that everything that you
12 need to get into business is there, that is power feeds to a
13 particular rack location, that sort of thing. But, yes, our
14 first choice would be to put space in -- or put the ALEC's
15 arrangement into space that to some degree has been
16 conditioned. Everything that is required is not there, but
17 at least, you know, the fundamentals are there.

18 Q But if conditioned space -- just so I understand,
19 let me make this clear. If conditioned space is available,
20 BellSouth will assign an ALEC to that conditioned space
21 before assigning it to any other space in the central
22 office, isn't that correct?

23 A Yes. But, again, let's be very clear about what
24 we are talking about as conditioned space. Some have argued
25 that conditioned space is within a BellSouth line-up that

1 already has power feeds and tie cables to that location,
2 that is not what I'm referring to. I'm saying the overhead
3 lights are in place, this room is air conditioned, there is
4 no asbestos to be removed, that sort of thing. I don't mean
5 by conditioned that you wheel in a bay of equipment, you
6 bolt it down and you plug it into the power supply and away
7 you go. That is not what I mean by conditioned space.

8 Q Well, if there is space in the CO that does have
9 active power and everything you would require for standard
10 collocation, cageless collocation, and that space was
11 available, would BellSouth put the requesting ALEC in that
12 available space before assigning it to some other space?

13 A Yes, but let me qualify your question. You said
14 available space, let me substitute the word unused for
15 available. Because I think the FCC's requirement is that we
16 allow ALECs to place their equipment into unused space.
17 Used space by comparison would be space that is within
18 BellSouth's own reserved, you know, that two-year window of
19 reservation where we have already put power supplies, we
20 have put heating and cooling, and we have put whatever is
21 there to accommodate that equipment when we bring it in.

22 So if you will accept my substitution of the word
23 unused, then, yes, I agree with that. But available is not
24 quite as specific because those things may be there, but
25 they have an intended use; that is, bellsouth or some other

1 ALEC has already paid for that conditioning, including all
2 the power equipment, all the heating and air, you know, all
3 of that stuff that would make it ready to receive equipment.

4 Q If BellSouth has made a reservation of space that
5 includes all of the, quote, conditioned space, but other
6 unconditioned space is available, would BellSouth transition
7 its reservation to the unconditioned space to allow an ALEC
8 into the conditioned space, or would the reservation
9 preclude an ALEC from accessing the conditioned space?

10 A No, I don't see -- I don't see an obligation for
11 BellSouth to give up its reserved space in conditioned if
12 its reservation predates that of an ALEC.

13 Q Has BellSouth traditionally reserved -- when it
14 does reservations for future use, reserve those portions of
15 the CO that have already been conditioned?

16 A Yes, it will use the space that it has already
17 anticipated it would use and has already made arrangements
18 to use by extending power feeds, by extending air
19 conditioning, by using the space that it has already made
20 available to itself, yes.

21 So within the reserved areas within the central
22 office that BellSouth has claimed and has equipped, yes.
23 That is our first choice to put our equipment, because we
24 have reserved it and we have partially equipped it.

25 Q At the expiration of the reservation period,

1 presumably two years under BellSouth's guidelines, would the
2 reservation, I guess, sequence or waiting list begin with
3 the next person on the list or how would you transition out
4 that reserved space by BellSouth?

5 A I'm not sure if I understand your question. If
6 you can break it down for me.

7 Q Well, let's say that half of the CO is
8 conditioned and half of it isn't, and BellSouth has reserved
9 the conditioned half for itself for future growth. And
10 after two years it hasn't used all of that space. That
11 space should become available for ALECs, isn't that correct?

12 A Yes.

13 Q And that is BellSouth's practice?

14 A Yes. Again, if that space that we are talking
15 about is unused space by the FCC's definition; that is,
16 BellSouth is not planning to use it, and no other ALEC has
17 claimed it for itself, that is has reserved that same space.

18 Q Does BellSouth give ALECs opportunities to change
19 their requested design of the collo space to avoid
20 permitting problems?

21 A Do we allow that?

22 Q Yes.

23 A Certainly. Let me qualify my answer and say if
24 the new arrangement still comports with all safety and
25 electrical codes, the answer is yes. But can I do things

1 just to avoid the permitting process, the answer is no. I
2 mean, there is still a fundamental threshold requirement to
3 meet all applicable safety and fire codes.

4 Q But assuming that the requested change met all
5 applicable safety and fire codes, BellSouth would have no
6 problem with an ALEC changing its requested configuration to
7 avoid the necessity of filing a permit, isn't that correct?

8 A We don't have an objection to that. That may
9 cause some work on behalf of BellSouth to have to be redone.
10 If you say I had requested this, but how long is that going
11 to take BellSouth and what will it cost, we would have
12 priced that out and told you how long and what it would
13 cost.

14 If then you said but I don't like that because
15 there is a permit involved, I want to do this instead, then
16 there is new work for BellSouth to do potentially that would
17 say, okay, with the second arrangement, how long is that
18 going to take and what is that going to cost.

19 So, in principle we are not opposed to what you
20 just said, but recognize that it may cause new work on
21 BellSouth's behalf.

22 Q Are you aware that Covad and BellSouth have had
23 disputes over whether a permit should be required to
24 provision a particular collocation space?

25 A I have been on the periphery of those

1 discussions; but, yes, I am aware of that.

2 Q And are you aware that BellSouth and Covad have
3 had disputes about whether requests for such a permit was
4 timely filed?

5 A I understand that, too, yes.

6 Q And are you aware that BellSouth and Covad have
7 had disputes about whether the work that requires a permit
8 is actually necessary?

9 A I understand that there has been that dispute,
10 yes.

11 Q And under the current Commission guidelines, if
12 BellSouth and Covad couldn't resolve those dispute, then
13 BellSouth would have to seek either an agreement from Covad
14 or a waiver from the Commission, isn't that correct?

15 A That is my understanding, yes.

16 Q But in the situation that you propose, which
17 would allow unilateral extension of the provisioning
18 intervals, if BellSouth and Covad disagreed about the
19 necessity for permits, BellSouth would not be required to
20 seek a waiver?

21 A Give me a moment to think through that.
22 Potentially. But what we are talking about here is once it
23 has been determined that there is a permit required and the
24 permitting agent has not yet provided that permit such that
25 work could begin. Yours is more of a threshold question

1 that says there is a disagreement as to whether a permit is
2 even required or not.

3 I think the permitting agents are the final
4 arbiter of whether permits are required or not. I mean,
5 they control whether work can begin or not.

6 Q Well, BellSouth initiates the permitting process
7 by filing for a permit, or its contractors do, isn't that
8 correct?

9 A Yes, that's right. In our belief that the nature
10 of the work and the scope of the work requires that a permit
11 be acquired.

12 Q So if BellSouth and Covad disagreed about whether
13 a permit even -- a request for a permit even needed to be
14 filed, and they were unable to resolve that request, under
15 your scenario BellSouth would not need to seek a waiver from
16 the Commission?

17 A That's right. But before that happened I would
18 hope that Covad and BellSouth would go to the permitting
19 agent and clarify whether a permit was required in that
20 instance or not. I mean, obviously we don't gain anything
21 by filing for unnecessary permits, and neither would you.
22 So, neither of us are served by filing for permits that are
23 not needed. But if there is a disagreement, I think the
24 permitting agent would be the one that says, yes, I require
25 a permit for that kind of work and that amount of work and

1 not either BellSouth or Covad.

2 Q But assuming that even if we approach the
3 permitting agent and the permitting agent perhaps could not
4 give an opinion, a binding opinion about whether a permit is
5 required, or there is some other reason that we disagreed
6 about whether even the work that requires a permit is
7 necessary, if we couldn't resolve that agreement, Covad
8 would not have the opportunity to participate in this waiver
9 proceeding that the Commission has set up under your
10 proposal, isn't that correct?

11 A That is possible, but I find it extremely
12 unlikely that a permitting agent once approached with a
13 question that says do I need a permit for this or not, would
14 say I'm not willing to give you or I don't know how to give
15 you an opinion as to whether I have to give a permit or not.
16 I mean, that's why they are there. So I find it implausible
17 that we would approach a permitting agent and say should we
18 be here or not, should we file a permit, and they say, gee,
19 I don't know, or, gee, I'm not willing to tell you, figure
20 it out yourselves. I mean, that's why they are there.

21 Q Do you have personal knowledge of a permitting
22 agent giving an advisory opinion about whether a permit is
23 needed?

24 A Do I have knowledge in a specific case or
25 generally?

1 Q Personal knowledge in a specific case.

2 A No. I mean, but generally I know that we have
3 approached permitting agents, you know, over years and said
4 there is this new kind of work, do you think we need a
5 permit or not, and they have given us decisions.

6 MR. GOODPASTOR: Thank you, Mr. Milner. I don't
7 have any further questions.

8 COMMISSIONER DEASON: We are going to take a ten
9 minute recess.

10 (Recess.)

11 COMMISSIONER DEASON: Call the hearing back to
12 order. Ms. Kaufman.

13 MS. KAUFMAN: Thank you, Commissioner Deason.

14 CROSS EXAMINATION

15 BY MS. KAUFMAN:

16 Q Good afternoon, Mr. Milner.

17 A Good afternoon.

18 Q I just have a few questions for you, and I will
19 try and keep it brief. Were you here during Mr. Hendrix'
20 testimony this morning and I guess part of this afternoon?

21 A Most of it. I left the room a few times, but
22 most of it.

23 Q Okay. I just want to paraphrase what I think I
24 heard Mr. Hendrix say in regard to collocation requests. I
25 think to summarize what he said is each collocation request

1 is different, each central office is different, and
2 therefore we have to individually look at each of these
3 requests.

4 What I wanted to ask you, Mr. Milner, is would
5 you agree that there are certain standard dimensions, for
6 example, for equipment, and certain standard dimensions for
7 racks, and certain standard dimensions for bays that go in
8 collocation space?

9 A No, I don't think I can agree with that. First
10 of all, the equipment itself is very different depending on
11 whether we are talking about switching equipment, which may
12 a foot and a half or two feet deep versus transmission
13 equipment, which is roughly a foot deep.

14 So the type of equipment is important. Also the
15 manufacturers choose different widths that they will, you
16 know, that their equipment comes in. I mean, they are
17 generally all about the same size, but not exactly. So
18 there is a lot of latitude for the manufacturers to decide,
19 you know, how wide is it, how deep is it, that sort of
20 thing. So there is not a one size fits all that says one
21 bay is exactly this wide and this deep.

22 Q But I think you said that generally within each
23 category or each type of equipment they are typically very
24 similar?

25 A If we qualify by type of equipment and

1 manufacturer of equipment then we start getting pretty close
2 to, you know, fairly standard dimensions.

3 Q On Page 33 of your direct testimony, you talk
4 about the use of administrative space. And particularly on
5 Line 17 through 20 there, again, just to paraphrase what you
6 said. Basically, I think you said while the ALECs might
7 disagree with me, all of this administrative space that we
8 have in our central offices constitutes productive use of
9 floor space. Do you see that in your testimony?

10 A Yes. And what I mean by that is that -- and
11 especially in a competitive work force environment, you
12 know, such as we have right now where unemployment is
13 generally pretty low, BellSouth has to compete for employees
14 just like everybody else does, and we need those things that
15 are important to employees' lives. And break rooms and
16 bathrooms and the like are part of their work life, and I
17 think need to be accounted for.

18 Q Now, you haven't presented any specific
19 information in your testimony in this case or any sort of
20 survey for each of your central offices that illustrates
21 that your administrative use is the most efficient use that
22 can be made of that space, have you?

23 A No. And I think the difficult thing would be to
24 arrive at what we mean by efficient use of the space. If
25 you take any central office in isolation you may find that

1 it -- and let's create one. A given central office has a
2 space that is used to do training in. Another central
3 office may not. You know, so you can't just take one in
4 isolation and say that is efficient or that is inefficient.
5 I think you really need to look closely at the circumstances
6 in that office and why the space is being used as it is.
7 And while you may not have a training room in every single
8 one, you may have one in every other one. So the difficulty
9 is determining exactly what the parties mean by efficient
10 and coming to agreements as to how you measure that.

11 Q But my question was you haven't presented any
12 information of any kind in this case, have you, about what
13 you have called the productive use of floor space in the
14 central office, either in the aggregate or by individual
15 office?

16 A That's right. But I have, I think, been fairly
17 explicit in what I mean by administrative space and why I
18 think that is important that BellSouth maintain those areas
19 within the central offices.

20 Q I understand. But you haven't presented any sort
21 of information, that's all my question is, in this docket?

22 A You are correct, yes. I have not provided, you
23 know, matrix of each and every one of them, or even any of
24 BellSouth's central offices and what percentage or how many
25 square feet was used for administrative, no.

1 Q Thank you. I want to talk a little bit about --
2 I'm just going to call this for shorthand, since you have
3 already had some questions about this, if it is all right,
4 the automatic extension of the provisioning intervals. And
5 by that I mean BellSouth's suggestion that under three
6 circumstances the provisioning intervals would be extended
7 and there would be no need for a waiver either from this
8 Commission or the consent of the ALEC. Is that clear?

9 A Sure, that's fine.

10 Q And I think you have three categories, and I just
11 want to briefly talk about each of them. The first one you
12 call extraordinary circumstances, correct?

13 A Yes.

14 Q Now, would you agree with me that that term
15 extraordinary circumstances is not found in the Telecom Act,
16 the Advanced Services Order, the FCC rules, or in this
17 Commission's guidelines on collocation?

18 A I have never searched, but that sounds
19 reasonable. I believe you're right.

20 Q Now, on Page 36 where you're talking about
21 extraordinary circumstances, you give some examples,
22 correct?

23 A Yes.

24 Q But you also say on Line 10, extraordinary
25 conditions include but are not limited to, so the examples

1 you have given there are not intended to be an exhaustive
2 list, correct?

3 A Yes, those are the ones that I think are
4 important, but I won't presume that I know everything, so
5 that's why I said that it is not limited to that list
6 necessarily.

7 Q So there could be something that in Bell's
8 opinion might be an extraordinary circumstance, it's not
9 listed here, and in that case if Bell classifies a situation
10 as extraordinary, regardless of what it is, in that
11 situation under your view you would be able to have an
12 automatic extension of the provisioning intervals, is that
13 your position?

14 A No. I think that we need to put some boundaries
15 around this. What I have tried to do are name the things
16 that occur very infrequently in the life of a central
17 office. But when they do, it is a pretty big deal.
18 Replacing a power plant, that is a big deal. Doing asbestos
19 abatement in a building, that is a big deal. So, no, I'm
20 not trying to name every one. And I believe that this
21 Commission can scrutinize what BellSouth believes to be
22 extraordinary, and if they say, gee, that happens all the
23 time, they have the latitude to exclude that.

24 So these are the things that I believe
25 categorically describe the events in the life of a central

1 office that need some sort of special handling. But I have
2 not tried to say, you know, this is the be all and end all
3 list. If we said, gee, here is something that Keith Milner
4 didn't think of that ought to go on the list, then we ought
5 to tell you about that and we ought to tell this Commission
6 that here is another circumstance that we believe is
7 extraordinary and ought to be excluded from the list.

8 So we are not just saying, you know, any time
9 BellSouth claims a circumstance is extraordinary the
10 Commission and the ALEC don't need to know what that
11 circumstance is. That is not what I'm saying. Instead, I'm
12 saying here are some things that have major potential for
13 disruption of central office activity and need to be taken
14 into account in the setting of intervals.

15 Q Well, I thought that I understood your testimony
16 to say that if a situation is what you would classify as
17 extraordinary it would be one that you would not have to
18 come to the Commission for review. Now are you saying that
19 in the instance of extraordinary circumstances you would
20 have the Commission review those and decide whether or not
21 they fit in that category?

22 A No, I'm not saying -- no, that's not what I'm
23 saying. I'm saying that there ought to be -- that we want,
24 I'm committing to you that BellSouth won't do this in secret
25 and say, no, you are not entitled to know what that

1 extraordinary circumstance is. But procedurally I don't
2 think that necessarily we would have to bring it before the
3 Commission, at least if you and I agreed that that was an
4 extraordinary circumstance.

5 Q Throughout my discussion, Mr. Milner, I want to
6 set aside any circumstances where the ALEC and Bell agree.
7 If the two parties agree that there is an extraordinary
8 circumstance or a permitting problem, those are not the
9 situations I want to talk to you about.

10 A Okay, that's fair.

11 Q So if BellSouth thinks there is an extraordinary
12 circumstance and the ALEC does not agree that that
13 circumstance should interfere with the permitting intervals,
14 under your suggestion nonetheless the interval would be
15 extended, is that correct?

16 A That is correct. And I'm certainly not a lawyer,
17 but I don't believe that would restrict your right to say to
18 this Commission, BellSouth has extended it for what
19 BellSouth calls extraordinary circumstances, but we don't
20 agree with that. I mean, it doesn't foreclose your right to
21 do that.

22 Q Certainly you are suggesting the ALEC could
23 always file a complaint with this Commission?

24 A That's a better way to say it perhaps. But, yes,
25 you have other rights that you could still pursue.

1 Q But, nonetheless, you would not agree in the
2 instance where there is no agreement between the parties
3 that you would need to come to the Commission first and seek
4 a waiver in order to justify that the extraordinary
5 circumstance really is interfering with the provisioning
6 interval?

7 A That is my position.

8 Q Now, the second extraordinary circumstance you
9 talk about are the permitting delays, and we have had a lot
10 of discussion about that, and I just want to ask you in
11 these circumstances and under the suggestion that you have
12 made in your testimony, are there any standards included in
13 there that would delineate, for example, what Bell's
14 obligation would be in regard to processing the permit?

15 For example, how many employees it would have to
16 assign to it, what duties those employees would have to
17 carry out? Are there any sort of standards in your
18 suggestion to the Commission on the permitting delays?

19 A None other than ordinary due diligence that we
20 would do our work in a workman-like fashion. That we would
21 in good faith take the application to the permitters,
22 provide them all the information we felt that they asked
23 for. But, no, there is not a precise list of metrics. But
24 I think generally the requirement for us to act in good
25 faith in the acquisition of those permits.

1 Q Would it be your view that as we sit here today
2 that that is the process that you are following in regard to
3 permit application?

4 A I'm sorry.

5 Q The good faith processing and handling of permit
6 applications?

7 A Are you asking me if it is my belief that
8 BellSouth is acting in good faith in terms of acquiring the
9 permits?

10 Q Yes. Today, when you get a collocation
11 application and you believe there is a permit required, do
12 you process it expeditiously and as quickly as possible put
13 as many people on it as you need to get the job done?

14 A I believe we are doing that, yes.

15 Q Do you know, Mr. Milner -- and I'm going to
16 reference a specific CLEC in these next couple of questions.
17 Do you know when BellSouth first received an application
18 from Blue Star Networks for collocation at your Clay Street
19 central office in Florida?

20 A Generally, not specifically.

21 Q Do you know the month?

22 A I can't recall it, no.

23 Q Would you accept, subject to check, that it was
24 in May of 1999?

25 A That sounds about right, yes.

1 Q Do you know when Bell filed the permit
2 application for that space at Clay Street?

3 A I don't know all the details of that, no.

4 Q Would it surprise you to learn that the permit
5 was filed in October?

6 A Would it surprise me?

7 MS. WHITE: I'm going to object from the
8 standpoint of I believe Ms. Kaufman is cross-examining the
9 witness on a complaint that is the subject of another
10 docket. And I don't think it is appropriate to do it in
11 this generic proceeding.

12 COMMISSIONER DEASON: Ms. Kaufman, there is an
13 objection.

14 MS. KAUFMAN: I'm simply trying to test Mr.
15 Milner's assertion that permit applications are processed in
16 good faith. It is true that there is a complaint pending on
17 a whole set of circumstances pertaining to this collocation
18 and others.

19 COMMISSIONER DEASON: Objection overruled. I
20 will allow the question.

21 BY MS. KAUFMAN:

22 Q I forgot what it was. I think I asked you --

23 A I think it was would I be surprised if the
24 permits were not applied for until October. Again, I don't
25 know all the details of that situation, so I can't say

1 whether I would be surprised or not.

2 Q I'm counting on my fingers. If that were the
3 case, say that is about six months between the application
4 and the permit, you wouldn't think that that was an
5 expeditious processing of the permit, would you?

6 A I wouldn't, no. Without understanding the events
7 that led up to that, no.

8 Q And you are aware, are you not, Mr. Milner, that
9 there have been other complaints filed in regard to Bell's
10 handling of collocation requests in addition to the Blue
11 Star one we just discussed?

12 A There have been other complaints, yes. Is your
13 question limited to the issue of required permits?

14 Q No, it is more general in regard to collocation
15 applications and their processing.

16 A There have been other complaints, yes.

17 Q Well, given the fact -- and just taking for a
18 moment the number of complaints that have been filed, that
19 there does seem to be disagreements sometimes between Bell
20 and the collocation applicants as to whether a permit is
21 required, whether the application is being processed
22 expeditiously, et cetera. Doesn't it make more sense if you
23 are not going to meet the provisioning intervals to come to
24 the Commission on the front end, seek a waiver, justify why
25 you can't meet those intervals rather than BellSouth sort of

1 being the judge and jury of the whole matter?

2 A No. First of all, the answer to that is no, I
3 would not agree with that. And the reason I would not agree
4 is that at the outset you can't know all of those
5 eventualities. You don't know at the outset what you may
6 confront some matter of days or months later. So unless
7 BellSouth was omniscient, which it is not, we could not tell
8 you on the front end all the problems that might be
9 encountered. So it is just simply impossible to do.

10 Q I'm not suggesting --

11 A But what we can commit to do is to tell you about
12 those things as soon as they come to our attention.

13 Q Well, let's take a hypothetical, and I'm not
14 suggesting that you tell the applicant day one, oh, I see
15 there is going to be a problem. But when BellSouth becomes
16 aware, for example, that there is going to be a permitting
17 delay, I assume they discuss, they notify the ALEC. If
18 there is a dispute, and the ALEC says I will not agree to an
19 extension because I don't think a permit is needed, I don't
20 think you are pursuing this expeditiously, or whatever the
21 reason, at that point in time shouldn't BellSouth be
22 required to come to the Commission and justify why it can't
23 meet the provisioning interval? And if its justification is
24 sufficient, the Commission would grant the waiver, I assume.

25 A Again, no, and for the same reason. Even at that

1 moment you don't know what is going to happen. Let's use
2 the permit example. At that moment you may have an idea of
3 what is going to happen the next day or the next week, but
4 you don't know for sure.

5 So, again, before you tax the Commission with
6 coming to them to seek relief, I would say not until you
7 know the facts about what you are able to do or not is it
8 appropriate to do that. So, I mean, there are lots of
9 things -- I mean, it is a very dynamic situation and
10 something that looks, you know, where a situation looks grim
11 on Monday that you don't think you are going to get a permit
12 in time, you may have the permit in your hands on Tuesday.
13 So the situation is dynamic and it changes pretty quickly
14 sometimes.

15 Q And if you had -- in that situation you just
16 discussed, if you had the situation in hand, or if you had
17 the permit in hand on Tuesday you would agree there wouldn't
18 any need to involve the Commission at all?

19 A If that was the only factor that potentially
20 affected the delay of the completion of that arrangement,
21 yes.

22 Q Now, I think you said, and I can't recall in
23 response to whose question it was, but someone before me
24 that this process of communicating with the ALEC when there
25 is some problem, or extraordinary circumstance, or a

1 permitting delay has been working fairly well, is that
2 correct?

3 A I would characterize it that way, yes.

4 Q So wouldn't you agree that the number of times
5 that you would have to come to the Commission if your
6 process is working well would be fairly low and it would
7 only be when there is a disagreement?

8 A Again, I can't step into the mind of the
9 Commission and determine what they think is fairly low.
10 Even one is more than you and I would probably like to have
11 resolved here. So I think the process itself needs to allow
12 the process to run its course before we do seek help from
13 the Commission.

14 Q And just to finish up this section of my
15 questions, and your way to handle that is just that Bell
16 would be allowed to just automatically extend the
17 provisioning intervals?

18 A In the conditions that we have named here, yes.

19 Q I just have one more question for you. This
20 should be an easy question. In your rebuttal at Page 2,
21 Line 12, you say that you rebut Mr. Gillan's direct
22 testimony. And, Mr. Milner, I searched and searched and I
23 didn't see you make any reference to Mr. Gillan, so I
24 wondered if that was just a mistake?

25 A It may very well be. I would have to go back and

1 read the whole thing, but I will accept that you are
2 correct.

3 Q So you think that reference to Mr. Gillan should
4 be stricken?

5 A Again, I would have to read it all and compare
6 his testimony. What I did not try to do was to cite every,
7 you know, everybody who said everything in my rebuttal. If
8 I did not refer, if I did not quote Mr. Gillan, there is
9 still the possibility that the topic that he addressed, even
10 though I didn't quote him, was addressed somehow in the
11 other sections of my testimony. So I won't say
12 categorically that I didn't rebut part of what he said, but
13 I may not have quoted him directly.

14 Q Well, let me ask you if you would check on that.
15 Because I noticed in your rebuttal that you did refer
16 specifically to a lot of the other witnesses and what they
17 said, and attempted to rebut what they had said, and I did
18 not see you do that with Mr. Gillan. It's not a big point,
19 but I couldn't find anything.

20 A I will be glad to do that, yes.

21 MS. KAUFMAN: Thank you. That's all I have.

22 COMMISSIONER DEASON: Thank you.

23 We are going to adjourn for the evening. But
24 before we do, I'm going to announce that we are going to
25 begin tomorrow at 8:30. I'm not sure an hour is going to

1 help us a lot, but it's not going to hurt. We are going a
2 adjourn for the evening at this time.

3 Thank you all. See you tomorrow at 8:30.

4 (Transcript continues in sequence with Volume 3.)

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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 2, pages 185 through 349, constitutes a true
transcription of my notes of said proceedings
and the insertion of the prescribed prefilled
testimony of the witnesses.

11 DATED this 18th day of January, 2000.

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JANE FAUROT, RPR
FPSC Division of Records & Reporting
Chief, Bureau of Reporting

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