

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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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. :

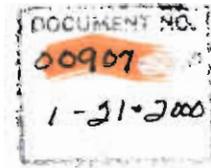
Petition of ACI Corp. d/b/a : DOCKET NO. 990321-TP
Accelerated Connections, Inc. :
for generic investigation to :
ensure the BellSouth :
Telecommunications, Inc., :
Sprint-Florida, Incorporated, :
and GTE Florida Incorporated :
comply with obligation to :
provide alternative local :
exchange carriers with :
flexible, timely, and :
cost-efficient physical :
collocation. :
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* AND DO NOT INCLUDE PREFILED TESTIMONY. *
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VOLUME 7

Pages 1014 through 1225



1 PROCEEDINGS: HEARING
2
3 BEFORE: COMMISSIONER J. TERRY DEASON
4 COMMISSIONER SUSAN F. CLARK
5 COMMISSIONER E. LEON JACOBS, JR.
6
6 DATE: Friday, January 14, 2000
7
7 TIME: Commenced at 9:00 a.m.
8
8 PLACE: Betty Easley Conference Center
9 Room 148
10 4075 Esplanade Way
11 Tallahassee, Florida
12
12 REPORTED BY: KIMBERLY K. BERENS, RPR
13 FPSC Division of Records & Reporting
14
14 APPEARANCES:
15
16 (As heretofore noted.)
17
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19
20
21
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23
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I N D E X

WITNESSES

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1 **Q** Who are you appearing for today in this
2 proceeding?

3 **A** The Florida Competitive Carriers
4 Association.

5 **Q** And did you cause 14 page of direct
6 testimony to be filed in this proceeding?

7 **A** Yes.

8 **Q** Do you have any changes or corrections to
9 that testimony?

10 **A** No, I do not.

11 **Q** If I asked you the questions in your direct
12 testimony today, would your answers be the same?

13 **A** Yes.

14 **Q** And you didn't have any exhibits to your
15 direct testimony, did you?

16 **A** That's correct.

17 **Q** Did you also cause to be filed in this
18 proceeding 17 pages of rebuttal testimony?

19 **A** Yes.

20 **Q** And do you have any changes or corrections
21 to that testimony?

22 **A** Yes. There's one typographical error. On
23 Page 7, Line 2, there is reference to an FCC rule that
24 in the testimony is cited as 51.213. That should be
25 51.321.

1 **Q** Do you have any other changes to rebuttal
2 testimony?

3 **A** No.

4 **Q** And if I asked you the questions in your
5 rebuttal testimony today, would your answers be the
6 same?

7 **A** Yes.

8 **MS. KAUFMAN:** I would ask that Mr. Gillan's
9 direct and rebuttal testimony be inserted into the
10 record as though read.

11 **COMMISSIONER DEASON:** Without objection it
12 shall be so inserted.

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I. Introduction

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Q. Please state your name, business address and occupation.

4

5

A. My name is Joseph Gillan. My business address is P.O. Box 541038, Orlando, Florida 32854. I am an economist with a consulting practice specializing in telecommunications.

7

8

9

Q. On whose behalf are you testifying?

10

11

A. I am testifying on behalf of the Florida Competitive Carriers Association (FCCA), an association of carriers committed to promoting competition for telecommunication services in Florida.

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Q. What is the purpose of your testimony?

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A. The purpose of my testimony is two-fold. The principal focus of my testimony is to recommend that the Commission *implement* its decisions in this proceeding by requiring that the ILECs file a generally available tariff for cageless collocation offering specific terms, conditions and prices. It is time to move collocation from its era of "customized wallboard" to a generalized offering whose costs and provisioning intervals are known in advance throughout the state.

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1 Second, my testimony addresses several listed issues in more detail, offering specific
2 recommendations as to their resolution. In general, however, the competitive industry
3 has organized its testimony so that individual FCCA members address detailed
4 concerns with each issue, while the Association itself recommends a process intended
5 to promote competition, both today and into the future. Our basic recommendation
6 is that the Commission should build from its efforts in this docket (and others) to
7 create a *lasting* framework that will simplify the collocation process and enable
8 entrants to rapidly and inexpensively deploy and maintain collocated facilities
9 throughout the state.

11 *II. It is Time for the Obvious Next Step*

12
13 **Q. Please explain how collocation came to be characterized by "case-by-case"**
14 **processes.**

15
16 A. The genesis of collocation can be traced to the birth of local competition with the
17 initial decisions of the New York Public Service Commission to accommodate
18 interconnected local facilities. A threshold issue was to find a way for entrants to
19 interconnect with NYNEX's facilities in a manner that was "equivalent" to the manner
20 that NYNEX interconnected its own facilities.

21
22 Ultimately, this issue was resolved through a dramatic concession (for the time) by

1 NYNEX: NYNEX would actually allow entrants to "collocate" facilities within
2 NYNEX's central offices. Long before new entrants enjoyed *any* of the rights granted
3 by the Telecommunications Act -- and long before local competition became a
4 national priority -- agreeing to place this equipment within a cage seemed a small
5 concession to gain such a unique opportunity.

6
7 Significantly, this basic construct of "collocation in a cage" is roughly a decade old --
8 a remarkably long time in an industry otherwise characterized by rapid change.
9 Further, one consequence of these pioneering efforts was that collocation came to be
10 characterized by relatively customized procedures; that is, each request was
11 individually designed, while central offices were physically modified to create
12 segregated space and special entrances available for competitive entrants.

13
14 **Q. Was customization a necessary consequence of a caged environment?**

15
16 **A.** No, not necessarily. But, as a practical matter, the industry (with some exception) did
17 come to accept processes for caged collocation that were end-office specific, with
18 applications, price quotes and unique planning associated with each collocation
19 request.

20
21 Of course, this "case-by-case" approach, with its unnecessary costs and provisioning
22 delays, was a major *reason* why collocation was reformed by the Federal

1 Communications Commission (FCC) to remove the prerequisite of the cage. The
2 principal point here, however, is that whether the slow, customized approach
3 traditionally adopted for *caged* collocation was ever appropriate is immaterial -- the
4 more relevant question is whether *cageless* collocation should still adhere to these
5 cumbersome procedures.

6
7 **Q. Is there any reason for cageless collocation to be offered using procedures**
8 **developed for a caged environment?**

9
10 A. No. The cageless option represents a sea-change in the nature of collocation.
11 Fundamentally, cageless collocation is the availability of a commodity -- rack space
12 in the central office -- that *can be* offered under standardized terms, with prices and
13 provisioning intervals known in advance. While there may be exceptions for some
14 end-offices -- just as there are special circumstances for all tariffed services -- there
15 is no reason that basic rack space cannot be offered like any other service, under
16 statewide terms, conditions and prices.

17
18 In fact, the standardized offering of cageless collocation is one of the *required*
19 reforms adopted by the Federal Communications Commission (First Report and
20 Order, In the Matters of Wireline Services Offering Advanced Telecommunications
21 Capability, Docket 98-147, March 18, 1999, "Collocation Order"). In explaining the
22 ILECs' obligations, the FCC noted:

1 We require incumbent LECs to make each of the
2 arrangements outlined below [i.e., shared, cageless and
3 adjacent] available to competitors as soon as possible, *without*
4 *waiting until a competitive carrier requests a particular*
5 *arrangement*, so that competitors will have a variety of
6 collocation options from which to choose.

7 Collocation Order, ¶ 40, emphasis added.

8
9 An important consequence of this directive is that the terms for these new collocation
10 arrangements should be known in advance, so that carriers can plan their entry and
11 order these arrangements without experiencing the cumbersome procedures -- i.e., the
12 ALEC applies, the ILEC prepares estimates, the ALEC reviews, the ILEC conducts
13 detailed engineering, etc... -- that impose unnecessary delay and cost.

14
15 It is also useful to note that when the FCC decided that ILECs must offer cageless
16 collocation in advance of any specific request, it explicitly rejected contaminating the
17 cageless process with the procedures that have hampered caged collocation:

18
19 ...BellSouth argues that, rather than adopt additional rules, the
20 Commission should "allow the parties to discuss and resolve any
21 issues they may have on a case-by-case basis"... The record is replete,
22 however, with evidence documenting the expense and provisioning

1 delays inherent in the caged collocation process.

2 Collocation Order, ¶ 40.

3

4 **Q. Why is it important for cageless collocation to be offered as a generally available**
5 **(i.e., tariffed) arrangement?**

6

7 A. There are three basic reasons why cageless collocation should be offered as a
8 generally available, standardized arrangement: speed, cost and certainty. These
9 reasons would justify this Commission ordering a generally-available offering even if,
10 as noted above, the ILECs were not already *obligated* by federal order to offer such
11 arrangements in advance (an obligation that can only be meaningfully satisfied through
12 a tariffed arrangement).

13

14 One critical factor to entrants is their "speed to market." Any process which delays
15 an entrant from offering its services, increases its capital requirements, or increases
16 uncertainty can eliminate a vital competitive edge. Indeed, for many new entrants,
17 being the first to make a service/product available may be their *entire* competitive
18 advantage. As a result, one of the most critical terms in any collocation offering will
19 be its provisioning intervals -- an issue that the FCC specifically left to the states for
20 resolution (see Collocation Order, ¶ 23). A standardized offering, known in advance,
21 should simplify and accelerate these important intervals.

22

1 In addition, eliminating the cumbersome procedures of caged-collocation will reduce
2 the costs of both the entrant and the ILEC. The *reason* that other processes and
3 services have been standardized is that they become more *efficient* to offer in that
4 manner. There is no reason that similar efficiencies are not possible here once
5 collocation is made a standard product of the ILEC instead of a specialized
6 arrangement.

7
8 **Q. Are standardized collocation offerings typical in the competitive environment?**

9
10 **A.** Yes. Competitive carriers typically offer collocation arrangements under standardized
11 terms. After all, these carriers do not view collocation as legal obligation so much as
12 they consider it an important product that their salespeople must be prepared to sell.
13 As noted by CompTel (Uncaging Competition: Reforming Collocation for the 21st
14 Century, CompTel White Paper #2, September, 1998, page 22, emphasis in original):

15
16 Unlike the ILECs, competitive entrants have no desire to foreclose
17 access to their networks by customers, including other carriers. As a
18 result, the CLEC industry approaches collocation with the goal of
19 accommodation and the desire to make their networks and space as
20 accessible as possible. In the CLEC community, collocation is a
21 *product* -- a product like all others which needs to be provisioned
22 inexpensively, rapidly, and with a minimum of complication and cost.

1 **Q. Are there examples of ILECs offering cageless collocation as a generally**
2 **available option?**

3
4 A. Yes. The Texas Public Service Commission requires that SBC offer collocation under
5 tariffed terms, conditions and prices. This tariff should serve as the model for the
6 Florida Commission's efforts to introduce collocation as a standard feature of the
7 competitive landscape, instead of the customized process that is currently applied by
8 the ILECs. If SBC can standardize collocation in Texas, there is no reason why
9 Florida's ILECs cannot do the same here.

10

11 **Q. What do you recommend?**

12

13 A. First, the Commission should resolve the specific issues in this proceeding and require
14 that the ILECs conform their *existing* practices to these decisions. This will assure
15 that these issues are resolved with immediate effect. The Commission should not,
16 however, end its involvement here. The Commission should also require that the
17 ILECs file generally available tariffs, conforming to this (and prior) decisions that
18 contain standardized terms, conditions and prices so that future activity can occur
19 within the certainty that a tariffed environment provides. It is time to *permanently*
20 simplify the process by making collocation a standard offering.

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III. Specific Listed Issues

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Q. Are you testifying to each specific listed issue?

A. No. Generally, individual FCCA members will be sponsoring testimony on the specific listed issues. Rather than duplicate the testimony of its members, the Association endorses the testimony of these parties and addresses a more limited set of specific issues. In particular, my testimony will address:

- * What terms and conditions should apply to convert virtual collocation to physical collocation;
- * What parameters should be used to reserve space for future ILEC and ALEC use;
- * How should the costs of security arrangements, site preparation, collocation space reports, and other costs necessary to the provisioning of collocation space be allocated among multiple carriers; and
- * When should an ILEC be required to respond to a complete and correct collocation application?

1 **Q. What terms should apply when converting virtual collocation space to a**
2 **physical collocation arrangement?**

3
4 A. Although this issue is not specifically limited to a conversion to a *cageless* physical
5 collocation arrangement, it is this type of conversion that the industry is most
6 interested in. The principal distinction between a virtual and cageless collocation
7 arrangement concerns the entrant's right to visit its equipment for purposes of
8 maintenance and upgrade. Consequently, terms for converting virtual collocation
9 space to cageless space should require no more than reversing the "ownership" of the
10 virtually collocated equipment and assuring that the ALEC's employees are familiar
11 with whatever security procedure applies to cageless collocation more generally.
12 There should be no requirement, however, that the physical equipment itself be
13 disrupted or relocated.

14
15 **Q. What principle should the Commission apply when determining the ILEC's and**
16 **the entrant's right to "reserve space" for future needs?**

17
18 A. While it may be reasonable for an ILEC to reserve space for *its* immediate needs, it
19 is inappropriate to use space reservation as a means to deny space to *other* carriers
20 with immediate needs. In central offices where space is limited, a guiding principle
21 should be that *current use is given priority over future use*. As an objective
22 principle, a service today should generally take precedence over a service that will be

1 (or may be) offered in the future, irrespective of whether it is the ALEC or the ILEC
2 that has the future plans. Space should not be held for a future use if it can be put to
3 productive use today.

4
5 **Q. How will ILECs provide services in the *future* if entrants use central office space
6 *today*?**

7
8 **A.** It is important to understand that no space shortage should be considered permanent.
9 In those central offices where there is an *existing* constraint on space, then measures
10 must be taken to expand space for future use. Space maximizing actions should
11 include, for instance, removing obsolete equipment, relocating administrative space,
12 or creating new "adjacent" collocation space in conformance with federal rules (CFR
13 § 51.323 (k)(3), emphasis added):

14
15 An incumbent LEC must make available, where space is legitimately
16 exhausted in a particular incumbent LEC premises, collocation in
17 adjacent controlled environmental vaults or similar structures to the
18 extent technically feasible. The incumbent LEC must permit the new
19 entrant to construct or otherwise procure such an adjacent structure,
20 subject only to reasonable safety and maintenance requirements. *The*
21 *incumbent must provide power and physical collocation services and*
22 *facilities, subject to the same nondiscrimination requirements as*

1 *applicable to any other physical collocation arrangement.*

2

3 As new space becomes available, then this new space should be available to meet the

4 future needs of *both* ALECs and the ILEC. After all, the real test of non-

5 discrimination is that neither the ILEC nor the entrant should be disadvantaged by

6 locating its equipment in this new space. That is, if the space provides the same

7 access to the ILEC's network elements that the ILEC would otherwise enjoy, then the

8 ILEC should not be disadvantaged by placing its future investment in new collocation

9 space.

10

11 The deciding principle in space-constrained offices should be that the ILEC's *future*

12 needs should be assigned to *future* collocation space. It makes no sense to require

13 that an entrant with an immediate need wait until more space is available, if the ILEC

14 has idle space that will not be needed until the future. Following this simple policy

15 will both free existing space to more productive uses, as well as provide ILEC's the

16 incentive to make sure that expanded collocation space is as useful as possible.

17

18 **Q. How should the costs of security arrangements, site preparation, collocation**

19 **space reports, and other costs necessary to the provisioning of collocation space**

20 **be allocated among multiple carriers?**

21

22 A. The appropriate treatment of such costs is in the development of a statewide

1 collocation rate. In a cageless environment, both ILEC equipment and ALEC
2 equipment share central office space, and both benefit from nondiscriminatory security
3 arrangements. ILECs may not (CFR § 51.323 (k)(2)) require the construction of a
4 cage or similar structure, require the creation of a separate entrance to the
5 competitor's collocation space, and may not require competitors to collocate in a
6 room or isolated space separate from the incumbent's own equipment.

7
8 Although this may be a question of semantics, the cost of cageless collocation should
9 not be "allocated" among multiple carriers through some after-the-fact or case-by-
10 case procedure. These costs can be known in advance and be computed into a
11 tariffed rack-space charge that recognizes that this space will either be used by
12 collocators, or continue to be used by the ILEC.

13
14 **Q. When should an ILEC be required to respond to a complete and correct**
15 **collocation application?**

16
17 **A.** With cageless collocation offered in advance of any request (i.e., as part of a
18 generally-available tariff), the need for *any* collocation "application" disappears.
19 Entrants need not *apply* for collocation, they need only *order* it with full information
20 concerning its availability, terms, conditions and prices known in advance. The
21 traditional application phase is unnecessary, a gratuitous hold-over from a caged
22 environment that is largely obsolete. The goal should be a process that empowers

1 entrants to place their order *and* receive their space within a known and predictable
2 interval (for example, 45 days), without unnecessary iterations with the ILEC.

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4 **Q. Does this conclude your testimony?**

5

6 **A. Yes.**

I. Introduction

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Q. Please state your name and on whose behalf you are testifying.

A. My name is Joseph Gillan. I previously filed direct testimony in this proceeding on behalf of the Florida Competitive Carriers Association (FCCA). The FCCA is an association of carriers committed to promoting a competitive environment for telecommunication services in Florida. An important part of this commitment is seeing that the cost and complexity of collocation is reduced in a manner to *permanently* promote competition, both today and in the future.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the direct testimony of the ILECs on three issues raised by my direct testimony. These points are:

* It is now time for collocation to move beyond its customized, CO-by-CO roots, to become a standard offering that the ILEC is *prepared* to provide;

* Virtual collocation arrangements can and should be converted to physical cageless arrangements "in-place," without the imposition of

1 unnecessary cost or delay; and,

2
3 * ILEC cost-recovery proposals should only be considered as part of a
4 tariff filing that defines a standardized cageless offering, available with
5 provisioning intervals that reflect its routine nature and the steps
6 ILECs have *already* taken to meet forecasted demand.

7
8 By and large, the testimony of the ILECs demonstrates that the recommendations of
9 my direct testimony are feasible, even if the ILECs themselves oppose their
10 implementation. The ILEC testimony (more specifically, the testimony of BellSouth
11 and GTE) also makes clear, unfortunately, that none of these reforms will occur
12 voluntarily. Only if the *Commission* embraces more efficient collocation as *its* priority
13 can it expect that conditions in the Florida market will improve significantly.

14
15 *II. The Case for a Routine Offering*

16
17 **Q. Overall, does the ILEC testimony reflect movement towards a standardized**
18 **offering that the ILEC is prepared to provide?**

19
20 A. Yes and no. The ILECs do acknowledge that they are obligated to forecast
21 collocation demand, at least when planning additions (see, for instance, Milner, page
22 45). Furthermore, both BellSouth and GTE are willing to use forecasted demand to

1 conduct statewide cost studies and propose prices. (Hendrix, page 20 and Ries, page
2 20). Apparently, each company is confident that it can reasonably predict demand
3 when it comes to these tasks. However, when it means that they should actually
4 *prepare* space in advance of individual requests, the ILECs adhere to a view that
5 collocation is a one-at-a-time, custom-design, process.

6
7 BellSouth, for instance, describes a collocation process that is based on a "most
8 complicated common denominator" philosophy. BellSouth's procedures require that
9 each application be distributed to "... six different departments within BellSouth and
10 to one BellSouth Certified Vendor." (Hendrix, page 4). The real issue, however, isn't
11 whether all six of these departments need to be involved in the creation of conditioned
12 central office space. Assume for the moment that they must. The relevant question
13 is whether BellSouth should direct these groups to prepare space *in advance*, so that
14 individual requests can be filled rapidly and routinely.

15
16 The fundamental goal of cageless collocation is to enable both collocator and
17 incumbent to share the same infrastructure and conditioned space, thereby improving
18 efficiency and eliminating the potential for discrimination. The ILECs should be
19 planning rack-additions to meet the *total* demand for conditioned space, both for their
20 own equipment and that of collocated entrants. Preparing for this demand and growth
21 can be done in advance of individual orders, just as planning other network additions
22 is done in advance of individual customer requests for service.

1 **Q. Does the "wait for an application" process introduce unnecessary delay and**
2 **cost?**

3

4 A. Yes. BellSouth, for instance, takes 30 days and charges the applicant over \$3,200
5 just to get to the point where the entrant is able to order its cageless space. I realize
6 that we are not yet at the point where a potential collocater can place its order while
7 golfing with an ILEC account representative (as would happen in a competitive
8 market), but we must be past the point where an ALEC is expected to *pay* to apply
9 for service.

10

11 **Q. BellSouth and GTE claim that the provisioning intervals for cageless collocation**
12 **should be the same as for caged collocation. (Hendrix page 13, and Ries page**
13 **12). Does this make any sense?**

14

15 A. No. The problem is that these ILECs approach their collocation obligation as
16 beginning after a request has been made, as opposed to an offering they have taken
17 steps to prepare for in advance. For instance, BellSouth argues that (Hendrix, page
18 14):

19

20 The controlling factors in the overall provisioning interval actually
21 include the time required to complete the space conditioning, add to
22 or upgrade the heating, ventilation, and air conditioning system for

1 that area, add to or upgrade the power plant capacity and power
2 distribution mechanism, and build out network infrastructure
3 components such as the number of cross-connects required.

4
5 Similarly, GTE claims (Ries, page 13):

6
7 The appropriate provisioning interval for cageless physical collocation
8 is the same as for caged physical collocation. The only difference
9 [according to GTE] between caged and cageless physical collocation
10 is construction of the cage itself. Extending power and providing
11 overhead support and cable racking are typically the most time
12 consuming aspects of the provisioning process.

13
14 Collocation, however, is not some phase that the industry is going through. This is
15 a new and permanent feature of a new and permanent landscape. Of course, these
16 ILECs cannot *perfectly* predict space requirements, but perfection should not become
17 the enemy of the good. However legitimate a case-by-case approach may have been
18 in the early days of caged collocation -- and we could, but will not here, debate even
19 this assertion -- there is no reason why the provision of uncaged rack space,
20 supported by estimates of power and air conditioning, cannot now become a routine
21 process. GM doesn't handcraft each car as it is ordered, BellSouth does not handcraft
22 phone service for each new customer in a city, and there is no reason to treat each

1 collocation request as though it is a one-of-a-kind, totally unexpected, event.

2

3 **Q. Do you believe that BellSouth and GTE accurately define what is meant by**
4 **"cageless collocation"?**

5

6 A. No. One problem with the BellSouth and GTE approach is that they view "cageless
7 collocation' to be nothing more than "caged collocation, hold the cage."
8 Consequently, they assert that the same cumbersome procedures and intervals must
9 apply. As I explained in my direct testimony, however, a significant benefit of
10 cageless collocation is that the collocation "product" can be standardized -- and, with
11 standardization, preparations can be made for its provisioning in advance. This
12 benefit of cageless collocation, however, seems lost on BellSouth and GTE.

13

14 BellSouth goes so far as to claim that the FCC has *never even defined* what is meant
15 by cageless collocation. (Milner, page 9). Rather, BellSouth claims that, at most, the
16 FCC merely "implies" what cageless collocation should be. BellSouth embraces this
17 self-discovered "amiguity" to unilaterally define cageless collocation as nothing more
18 than "a physical collocation arrangement that is not separated by walls or other
19 structures from the physical collocation arrangements of *other collocators*." (Milner
20 Direct, page 10, emphasis added).

21

22 **Q. Is BellSouth's definition of cageless collocation correct?**

1 *may not require competitors to collocate in a room or isolated space*
2 *separate from the incumbent's own equipment.*

3
4 * An incumbent LEC must make cageless collocation space available in
5 single-bay increments, meaning that a competing carrier can purchase
6 space in increments small enough to collocate a single rack, or bay, of
7 equipment.

8
9 There is a very large difference between BellSouth's interpretation that cageless
10 collocation "is not separated by walls or other structures from the physical collocation
11 arrangements of *other collocators*," and the clear requirement set forth above that
12 BellSouth may not require entrants to collocate "in a room or isolated space separate
13 from the *incumbent's* own equipment." There is far less unique about cageless
14 collocation space than BellSouth's interpretation suggests.

15
16 ***III. Converting Virtual Collocation to Physical Collocation***

17
18 **Q. How is cageless physical collocation different from virtual collocation?**

19
20 A. Cageless physical collocation is, for all practical purposes, the same as virtual
21 collocation with one critical difference -- the entrant retains ownership of, and
22 visitation privileges to, its collocated equipment. Prior to the availability of cageless

1 physical collocation, the only way for an entrant to have its equipment installed in the
2 same area as the ILEC's equipment (and thereby avoid the cost and delay of a cage
3 and separate entrance) was to "virtually collocate." This meant that the entrant would
4 "sell" its equipment to the ILEC (for a nominal fee), and the ILEC would then be
5 responsible for its maintenance and repair.

6
7 Cageless physical collocation retains the same basic characteristics of virtual
8 collocation with respect to space placement -- i.e., the collocator's equipment is
9 located in the same area as the ILEC's equipment -- but without the entrant losing
10 "ownership" and the right to maintain, repair and upgrade the equipment in the future.
11 One issue in this proceeding is how should entrants convert virtual collocations that
12 were ordered in the past to physical cageless collocation now that it is available.

13
14 **Q. Are virtual collocation arrangements *identical* to cageless physical collocation?**

15
16 **A.** No, they are not *identical*. Because an entrant would not have been able to access
17 its virtually collocated equipment, the ILEC may have placed the equipment in an area
18 that they do not want now to offer as cageless physical collocation space. The issue
19 here is what is the most reasonable way to approach this single distinction -- i.e., the
20 fact that the virtual space may not coincide with where the ILEC intends to fill orders
21 for cageless collocation.

22

1 **Q. How have the ILECs approached this distinction?**

2

3 **A. With the exception of Sprint (whose incentives are far more balanced than those of**
4 **BellSouth and GTE), the ILECs have used this distinction to claim that virtual and**
5 **cageless collocation are fundamentally different, and that to convert an existing virtual**
6 **arrangement to a cageless arrangement the collocation process should begin de novo:**

7

8 **An application for conversion of virtual to physical collocation should**
9 **be evaluated just as an application for physical collocation would.**

10 **(Hendrix, page 8).**

11

12

13

14 **In general, if an ALEC currently has virtual collocation and desires**
15 **physical collocation, it must follow the standard process for a new**
16 **physical collocation request. (Ries, page 5).**

17

18 **Sprint, on the other hand, takes a far more reasonable view. (Closz, page 10). In**
19 **Sprint's view, so long as the ALEC is converting a full bay of equipment (i.e., the**
20 **collocators' equipment is not sharing the same vertical space as ILEC equipment),**
21 **virtual space should be converted to cageless space on a "like for like" basis -- that**
22 **is, its conversion should require only ILEC administrative changes, such as billing and**

1 engineering record updates.

2
3 **Q. How do BellSouth and GTE justify their more extreme position?**

4
5 A. Both BellSouth and GTE begin with the observation that they may have installed
6 virtually collocated equipment "closer" to their own equipment than they are willing
7 to locate cageless equipment. Although the FCC's rules clearly state that the ILECs
8 "may not require competitors to collocate in a room or isolated space separate from
9 the incumbent's own equipment," the FCC also notes that (First Report and Order,
10 CC Docket 98-147, March 31, 1999, ¶ 42):

11
12 The incumbent LEC may take reasonable steps to protect its own
13 equipment, such as enclosing the equipment in its own cage...

14
15 Based on this single sentence, BellSouth and GTE claim they enjoy an unequivocal
16 right to move virtually collocated equipment to another area and that, therefore, the
17 "conversion" of virtual collocation space to cageless space should be treated as any
18 other initial request.

19
20 **Q. Are you saying that this view has *no* merit?**

21
22 A. No, my point is that this position is *unreasonable*. Here we begin with equipment

1 that is located in racks, in the central office, in the same area as the ILEC's equipment.
2 The end-point must be that the same equipment be located in rack space, in the same
3 central office, in the same area as the ILEC's equipment. What possible gain is
4 achieved by requiring that the equipment be located in a *different* rack space?

5
6 BellSouth and GTE basically argue that because there *may be* circumstances where
7 it is reasonable to protect ILEC equipment by enclosing it in a cage, that it is *always*
8 reasonable to segregate equipment in this manner. Such an interpretation, however,
9 goes too far -- both as to what the FCC's Order allows, and what a reasonable policy
10 would be. There is no blanket entitlement that cageless collocation space should
11 always be a "cage-space" away from the ILEC's equipment. Indeed, the FCC Rule
12 that *specifically* lists reasonable security measures *does not* list an ILEC cage as one
13 of them. (CFR § 51.213(h)(2)(i)). Further, the paragraph that the ILECs so liberally
14 cite (§ 42), closes with the obligation:

15
16 The incumbent LEC may not utilize unreasonable segregation
17 requirements to impose unnecessary additional costs on competitors.

18
19 **Q. Would requiring the removal and reinstallation of virtually collocated**
20 **equipment in different rack space constitute an "unreasonable segregation**
21 **requirement that imposes unnecessary additional costs on competitors?"**

22

1 A. Yes. First, even though BellSouth and GTE claim a "right" to cage their equipment,
2 neither carrier indicates that it intends to *actually* take this approach. If the LECs
3 themselves have no plans to install a cage, then how could it possibly be reasonable
4 to force an entrant to move its equipment in advance?

5
6 Second, even BellSouth recognizes that the entire goal of cageless collocation is to
7 reduce costs and utilize space more efficiently (Milner, page 7):

8
9 The FCC's Order made clear that the intent underlying the new
10 collocation rules is to allow ALECs access to collocation space
11 without artificially increasing their costs or delaying their time of
12 entry. BellSouth interprets the rule to continue to permit ILECs to
13 establish reasonable space assignments with a central office to ensure
14 that space is efficiently used consistent with this intent.

15
16 What could be a more reasonable space assignment than keeping equipment where the
17 ILEC first placed it? How could any other space be more efficient? Clearly, moving
18 the equipment simply for the sake of moving the equipment is as artificial an increase
19 in cost as one could imagine.

20
21 Finally, it is useful to note that none of the factors that BellSouth states it will use to
22 assign space justifies moving virtually collocated equipment. These factors are

1 (Milner, pages 7-8):

- 2
- 3 a) Overall cable length.
- 4 b) Distance between related equipment.
- 5 c) Grouping of equipment into families of equipment.
- 6 d) Electrical grounding requirements.
- 7 e) "Holes" in existing equipment line-ups.
- 8

9 If these same factors are used to decided whether equipment should be *moved* that
10 BellSouth would use to place the equipment *initially*, then it is clear there is no
11 justification for a reassignment and disruption of equipment that is already collocated.

12

13 **Q. Mr. Hendrix claims that BellSouth must treat a request to convert virtual**
14 **collocation as a new collocation request to prevent discrimination. (Hendrix,**
15 **page 9). How do you respond?**

16

17 **A.** The most critical discrimination concern is assuring that entrants have access to the
18 same central office space that BellSouth provides its own equipment. Satisfying this
19 standard requires that there be no economic difference between cageless space, virtual
20 space and the remaining space that houses BellSouth's equipment.

21

22 If it were actually necessary to move a virtual collocator from its *existing* location (in

1 a BellSouth line-up, for instance), to *different* space that BellSouth has designated for
2 cageless collocation to prevent discrimination between the (former) virtual collocator
3 and other entrants, then that implies there is an advantage to being located in the
4 space that BellSouth uses for its own equipment. The real danger of discrimination
5 is not between entrants however, but between BellSouth and its competitors -- and
6 the solution is not to force the (former) virtual collocator to move its equipment to
7 join other disadvantaged ALECs, the solution is to end the discrimination in
8 BellSouth's space assignment practices.

9
10 *IV. Cost Recovery*

11
12 **Q. How do the ILECs propose to recover the common security and site preparation**
13 **costs associated with a cageless collocation environment?**

14
15 **A.** Both BellSouth and GTE apparently intend to propose rates that reflect statewide
16 costs and demand projections (see, for instance, Hendrix pages 21-23, and Ries,
17 pages 19-22). Although GTE requests that the Commission pre-approve its
18 methodology (Ries, page 22), BellSouth acknowledges that a specific discussion of
19 rate elements and cost methodology would be "premature." (Hendrix, page 22).

20
21 **Q. Should the Commission reach a decision regarding rate levels or cost**
22 **methodology in this proceeding?**

1 A. No, not as a general matter. What is important in this proceeding is that the
2 Commission clearly establish the ILECs' obligation to provide basic rack space (i.e.,
3 cageless collocation) to entrants in the same conditioned central office environment
4 as the ILEC's own equipment. Further, the Commission should require that the
5 ILECs approach this offering as they would any other routine arrangement --
6 preparing space in advance so that service intervals and collocation costs are reduced
7 to the maximum extent practical. Specific pricing and cost recovery issues should be
8 addressed in the tariff review that implements this recommendation.

9
10 It is useful to note that the ILECs seem willing to adopt such a perspective when it
11 comes to *cost-recovery*, but not *provisioning*. For instance, BellSouth indicates that
12 it will develop prices based on the "anticipated" number of collocators (Hendrix, page
13 20), while GTE proposes (albeit under protest) the use of a statewide fill-factor.
14 (Ries, page 21). It is not useful here to debate in the abstract the appropriateness of
15 either specific suggestion. The larger point is that it makes little sense to embrace
16 standardized pricing, while remaining committed to a world of customized
17 provisioning.

18
19 The time is ripe to take the next logical step that will streamline collocation and
20 require that the ILECs treat it as a routine activity, with known intervals, set prices
21 and straightforward application procedures. The ILECs should not wait for each
22 individual application to prepare space to accommodate CO-based equipment.

1 Adequate space for both ALEC and ILEC equipment should be prepared in advance.

2

3 **Q. Does this conclude your rebuttal testimony?**

4

5 **A. Yes.**

1 Q **(By Ms. Kaufman)** And you had no exhibits
2 to your rebuttal testimony either, did you?

3 A Correct.

4 Q Okay. Have you prepared a summary of your
5 testimony?

6 A Yes.

7 Q Please go ahead.

8 A Commissioners, you've had a long two days
9 and I don't intend to prolong it with even a short
10 summary. Simply stated, my testimony focuses on one
11 main point; that is, that the environment of ICB
12 treatment for collocation has outlived its usefulness,
13 it's outlived its relevancy and that particularly with
14 the advent of cageless collocation it is time to move
15 this ball forward and create a standardized offering
16 with standard intervals and standard pricing and a
17 tariff environment for collocation.

18 Entrants, CLECs want this primarily for two
19 reasons; one, to introduce certainty into the process
20 as to what it will cost to obtain collocation and how
21 fast it will all occur.

22 And secondly, to introduce more
23 accountability; to give us, through a tariff and cost
24 process, the ability to evaluate collectively the
25 appropriate terms, conditions and prices for

1 collocation service.

2 There does not appear to be significant
3 controversy about this point any longer. Sprint
4 supports having a standard tariff. GTE has filed a
5 tariff. Obviously, we would like to -- we would
6 dispute some of its terms and its prices and look
7 forward to doing that in a future environment, but
8 only BellSouth appears to be unwilling to take this
9 step, and the principal reason was, we don't think --
10 we, BellSouth, don't think the CLECs want it.

11 Well, if that's the issue then obviously the
12 mere fact that every CLEC in this proceeding has
13 testified that they do, in fact, want to see a
14 tariffed arrangement should address that concern of
15 Mr. Hendrix.

16 While we address other issues in the
17 testimony, that's the point, and with that I'll
18 conclude. Thank you.

19 **MS. KAUFMAN:** Mr. Gillan is available for
20 cross-examination.

21 **COMMISSIONER DEASON:** BellSouth.

22 **MR. CARVER:** Thank you.

23 **CROSS-EXAMINATION**

24 **BY MR. CARVER:**

25 **Q** Good morning, Mr. Gillan.

1 **A** Good morning, Mr. Carver.

2 **Q** Can you tell me, the association that you
3 represent, how many members does it have?

4 **A** Approximately a dozen.

5 **Q** Okay. How many of those members are
6 otherwise represented in this hearing as individual
7 parties?

8 **A** I would have to compare the membership to
9 the parties that are also here. I do not believe that
10 Supra, for instance, isn't member of the association.
11 MGC is a member. Intermedia is a member. E.spire is
12 a member, but I believe they withdrew their testimony.
13 AT&T is a member. MCI is a member. You're not a
14 member. Neither is GTE.

15 **Q** I knew that, but thanks anyway. Appreciate
16 the help. Now, the tariff requirement that you talked
17 about in your summary, I just want to clarify. Do you
18 advocate this just for cageless physical collocation
19 or do you advocate it for all physical collocation?

20 **A** The testimony really was focusing on
21 cageless collocation because that's the easier of the
22 two to standardize and under the assumption that this
23 will be controversial we are focusing on the no
24 brainer step, if you will. It appears to me, however,
25 realistically that caged collocation can also be

1 brought into that because that's what we're seeing
2 happening with both the GTE tariff and the Sprint. So
3 I would expand it to include all forms, although at
4 the time we wrote the testimony it was focusing
5 principally on cageless.

6 Q Okay. If you would turn to Page 4 of your
7 direct testimony, Lines 18 through 22. You say that
8 "the standardized offering of cageless collocation is
9 one of the required," and you emphasis required,
10 "reforms adopted by the Federal Communications
11 Commission," is that correct?

12 A Yes.

13 Q And in support of that I believe you cite to
14 Paragraph 40 the collocation order?

15 A Yes.

16 Q Now, is it your position that the FCC's
17 collocation order requires that collocation be not
18 only standardized but tariffed as well?

19 A No, I don't believe -- I think that would be
20 an aggressive reading of it. I think fundamentally it
21 requires that it be standardized and that the best
22 process or the best mechanism to use is tariffing, but
23 I don't believe that they actually, as the FCC,
24 addressed that step.

25 Q Now, let's assume that collocation terms are

1 standardized in some fashion, either through a tariff
2 or otherwise. The incumbents and the ALECs could
3 still voluntarily negotiate additional or different
4 collocation terms other than the standard; correct?

5 A Yes.

6 Q I believe Paragraph 40 of the FCC order says
7 that specifically, doesn't it?

8 A I don't know. I agree that that would be
9 true. I'm sure that the FCC order says that
10 somewhere.

11 Q Let me ask you, the 12 members of the FCCA,
12 are you committed or rather are you authorized to
13 commit on behalf of any of them that if there was a
14 tariff they would buy from the tariff rather than
15 trying to do the individual negotiations for
16 collocation?

17 A No, of course not. I can't make commitments
18 for any of them as individual businesses.

19 Q Now, under your proposal, basically in a
20 given central office the ILEC would do all of the work
21 necessary to prepare for collocation and to provision
22 collocation before anyone made a request, have I got
23 that straight?

24 A I think you have it straight. I think you
25 couch it in the most pejorative terms possible. For

1 two days we heard your witnesses talk about BellSouth
2 as stewards of the central office and one of the
3 obligations of that stewardship is to prepare
4 conditioned central office space so that it can house
5 telecommunications equipment.

6 The testimony fundamentally is that as you
7 go through that stewardship role of preparing space
8 for -- to house telecommunications equipment you
9 consider both your equipment and the notion, the idea,
10 that collocation is occurring and that there will be
11 additional demands beyond your own. It's nothing very
12 unusual about this.

13 Q Okay. I wasn't trying to be pejorative.
14 What I'm really trying to do is just sort of focus the
15 debate. Let me ask if you agree with this. It seems
16 to me that the dispute here is not so much whether or
17 not the terms should be standardized. The real
18 sticking point is that BellSouth believes the process
19 should be that someone orders collocation and then
20 BellSouth responds to the order and provisions the
21 collocation. What you're advocating is that some or
22 all of the provisioning work would be done before
23 there is an order and that to me seems to be the real
24 debate. Is that a fair characterization?

25 A Since the debate is between you and I, I'll

1 see that you have the right to characterize it as
2 well. That seems like a fair characterization. And
3 our view fundamentally is that you don't wait to begin
4 the process of providing phone service for each
5 individual customer order. General Motors doesn't
6 wait to build each of its cars until somebody places
7 an order. You can expect, within some reasonable, you
8 know, uncertainty, recognize that sometimes you're not
9 going to hit it dead certain, that people are going to
10 be wanting collocation now and in the future.

11 Your own testimony is you can develop prices
12 based on forecasted demand. Our testimony, and I
13 think the testimony of all the witnesses yesterday, is
14 that you can take steps to prepare in anticipation of
15 people asking for collocation. That as you draw up
16 your plans and space requirements and expectations you
17 look beyond your own needs to others. And that that's
18 just a sort of a normal process of managing your
19 growth. You don't wait for every -- you know, you
20 don't treat every individual collocation request as
21 you never expected to have one in that central office.
22 That seems, to us, extreme.

23 Q What I'd like to do is just focus on
24 collocation and some of your suggestions for how we
25 should deal with these individual problems that -- I

1 shouldn't say problems; the issues that might arise if
2 your suggestion were adopted.

3 Let me ask you, first of all, would you
4 agree in general, that collocation costs vary from one
5 central office to the next?

6 **A** Certainly.

7 **Q** Now, under your proposal that collocation
8 would be tariffed, would the tariff -- the collocation
9 tariff be statewide?

10 **A** My expectation would be that the cost
11 variation, at least right now, particularly -- and
12 I've always been focusing on the cageless option. You
13 could develop a statewide tariff at some point in the
14 future as you gain more experience. Maybe it makes
15 sense to make it more grandeur and deaverage it, but
16 certainly at this point we're not looking for you to
17 come up with anything at a lower level of aggregation
18 than statewide.

19 **Q** So basically what we would do then would be
20 to build-out collocation for every central office in
21 the state and then use those costs to develop an
22 average collocation rate schedule?

23 **A** Well, what you would do is develop the cost
24 of, again focusing on cageless, having rack space to
25 house telecommunications equipment that would be

1 applied in every end office in the state.

2 You build-out collocation in every end
3 office today. It's just in many end offices the only
4 person who collocates is you. But the notion that
5 somehow collocation space is fundamentally a different
6 thing than telecommunications space in a central
7 office, that's the myth that we're trying to break you
8 through.

9 You build telecommunications space in every
10 end office today. In some end offices you're now
11 allowing entrants to put their equipment in there as
12 well as your own. We can expect that process to
13 continue for the foreseeable future. So it's not a
14 question of, you know, collocation space. Just you're
15 building out space capable of housing equipment.

16 **Q** Well, would you accept that at least in some
17 of the central offices throughout the state there is
18 space that right now is not being used by BellSouth or
19 by anyone else? It's just sitting there and there's
20 no real need for it?

21 **A** Would I agree that there's empty space in
22 BellSouth's central offices? Yes.

23 **Q** Some of them in some places?

24 **A** Yes.

25 **Q** And if BellSouth doesn't need that space,

1 and if no one wishes to collocate in that space right
2 now, then right now there's not really a need to build
3 it out, would you agree?

4 **A** That's true. There's not a need to
5 build-out that empty space. But there's always a need
6 for you to have central office space that can house
7 equipment, either for your own growth or collocation
8 growth.

9 **Q** But what I'm getting to --

10 **A** It's not a static environment.

11 **Q** What I'm getting to, though, is that we have
12 a central office like that where there is empty space
13 and we don't need to build-out right now and there are
14 no collocation requests, are you advocating that we
15 should, nevertheless, build it out so that when and if
16 a collocator comes along and asks for space we can
17 immediately give it to them? Is that what you're
18 proposing?

19 **A** No. I'm not suggesting that you create
20 spare conditioned space where you can reasonably think
21 there is no need for it, either for your own needs or
22 for others. But, let's be honest here. We pretty
23 much know where the cities are. We pretty much know
24 where the first wave of demand is going to be. You
25 have growth requirements and you're trying to stay

1 ahead of those growth requirements by having
2 conditioned space, and my testimony fundamentally is,
3 in that process of making sure that there's space
4 ahead of those requirements that can house
5 telecommunications equipment, you think of it for both
6 your needs and the needs of collocators as well.
7 That's all.

8 Q So then your proposal is not that we would
9 build-out to make collocation immediately available in
10 every central office, but instead that we would do
11 some sort of a forecast to determine where the
12 build-out should be. Is that accurate?

13 A Yes. I think that's a reasonable way of
14 saying it.

15 Q Do you know how many central offices there
16 are -- BellSouth central offices in the state of
17 Florida?

18 A Around 1,000 or so is my recollection. I
19 could easily be off by a couple of hundred one way or
20 the other.

21 Q How about 206? Does that sound plausible?

22 A That could be plausible, and I was thinking
23 about for the number of central offices in the state
24 for everybody.

25 Q Okay. For purposes --

1 **A** Seems -- actually it sounds low, but for
2 whatever -- we'll take it -- I will accept it for
3 right now.

4 **Q** Okay. Just for talking purposes, let's
5 assume that there are 200. Let's also assume that
6 there are -- there have been at least some interest in
7 collocation about 140 of the 200. In other words,
8 two-thirds of the central office. 70 of them, there
9 has been no indication that anyone wants collocation.
10 And, again, this is a hypothetical. I'm just trying
11 to see how you would address the situation.

12 Do you believe that BellSouth should have to
13 go ahead and do the build-out that you propose in
14 those 70 offices where so far no one has requested
15 collocation?

16 **A** With this information, it would be
17 impossible to say. I don't know how close those 70
18 are to the other 200. I don't believe that this task
19 is either particularly difficult, particularly
20 impossible at all or even particularly expensive,
21 particularly in the context of -- what most
22 collocation is that's occurring on a going forward
23 basis is people want rack space in these central
24 offices, you're creating rack space for your growth
25 when you keep -- you keep referring to this as

1 build-out collocation space and I just want to make
2 clear, I'm talking about as you build-out rack space
3 and you make those reserves for your needs, you
4 consider the fact that there are others coming as
5 well. And that they're going to also -- at least for
6 cageless, which is the simplest to talk about, also be
7 looking at rack space. There's nothing so unique
8 about this.

9 Q Okay. So you're not advocating that
10 BellSouth would -- assuming that it's not going to do
11 a build-out in a particular central office, that it
12 doesn't need that space at that time and it's not
13 building out and that no one has indicated an interest
14 in, there would be no need for them to do the
15 build-out that you're proposing in that central office
16 right now, correct?

17 A As an absolute obligation, you're correct.
18 On the other hand, if you look -- if your engineers
19 look at that central office and they see that that
20 central office is part of a marketplace that
21 collocators have come to and this is sort of the
22 anomaly right now, then I think there's a reasonable
23 expectation for them that as they look at creating
24 conditioned central office space that they can expect
25 the collocators will be showing up there as well.

1 Q Would you agree that there's some central
2 offices where there will probably never be a
3 collocation request?

4 A No, I don't think so. I think that the
5 nature of the type of equipment that people are
6 starting to put in collocation and type of services
7 that are offering it has changed so fundamentally in
8 the past three years that it's -- I can't -- I think
9 that it's more likely that you will at some point in
10 every one of these central offices see collocation
11 requests.

12 I mean, three years ago when we were here we
13 were talking about people wanting to get collocation
14 so they could build fiber rings to central offices and
15 then offer services to customers off of those fiber
16 rings. In that marketplace it might have been true
17 that there would be central offices that you would
18 never see collocation, but the reality that we see
19 driving collocation today isn't that business plan at
20 all. It's the deployment of DSL equipment to offer
21 advance services -- to offer high speed data to
22 customers; better Internet access to put it in simple
23 terms.

24 With that kind of market development, I
25 would expect to see at some point you see collocation

1 requests in every end office because that's the type
2 of ubiquitous product offering you should expect to
3 see to seep throughout the network. It's a completely
4 different business plan.

5 Q Do you think there will be collocation
6 requests for every central office in the short term?

7 A No.

8 Q Okay. So if BellSouth is going to be
9 responsive to ALEC demand, then certainly the need to
10 build-out some under your proposal would be greater
11 than the need to build-out others?

12 A Yes, of course. Just like the need for you
13 to build-out additional conditioned space for your
14 needs is greater in some central offices than in
15 others. I would expect to see some sort of
16 proportionality here.

17 Q I want to ask --

18 A -- no other information.

19 Q Sorry. I want to explore a little bit how
20 we would do this forecast to determine what to
21 build-out under your proposal next. Do you believe
22 that the ALEC should be required to share their plans
23 for future growth with BellSouth and to enable them to
24 do these forecasts?

25 A I think it's reasonable to get some forecast

1 information from the ALECs, but, on the other hand, I
2 think it's also something that BellSouth can develop
3 it from its own information. I mean, it has -- it has
4 co -- it has internally, or should have, a notion of
5 all the collocation space requests it's received so
6 far and characteristics with each end office.

7 I can't believe that with all the
8 econometricians that you have in your company for your
9 own purposes, you can't have somebody sit down and get
10 a sense out of, if an end office has this many
11 customers and this much revenue or this many access
12 lines, and it has received this kind of space request,
13 that there is some way of, from your own planning
14 purposes, getting an idea of how you expect
15 collocation to roll out.

16 Q So basically what you're saying then is that
17 BellSouth should take it upon itself to sustain the
18 financial burden and the labor of doing a market
19 analysis to try to figure out what its competitors'
20 business plans will be and where they're likely to
21 have collocation. Is that what you're saying?

22 A No, of course not. I will say what I'm
23 saying again. There is a commodity that you and your
24 network need and CLECs need called conditioned central
25 office space. You have the obligation, under the FCC

1 rule, in making plans for having space in central
2 offices to take into account not only your demand, but
3 what you can expect from this customer group. And I
4 don't think it requires that you do some complicated
5 evaluation of their business plans or anything else.
6 We're talking about space and power requirements for
7 racks that hold pretty standardized equipment. And
8 your own view of the world is that you can meet
9 requests when they come in the door individually one
10 at a time in between 90 to 120 days.

11 So, we're not talking about building out for
12 three years. We're talking about something that your
13 whole testimony is you can create in a 90 to 120 day
14 window. You don't have to look very far ahead to
15 carry some spare inventory to be able to meet demands
16 more quickly.

17 Q Well, if I understand your testimony, what
18 you're proposing is a little bit different. The time
19 frame that you mentioned is what BellSouth believes is
20 appropriate to respond to one collocation request.

21 If I understand your testimony correctly,
22 what you're advocating is that in a central office
23 where BellSouth forecasts that there will be a demand,
24 that they will go ahead and do all that they need to
25 to build-out collocation so that it can be offered to

1 whoever wants it on a sort of, you know, off the rack
2 type basis. Isn't that what you're proposing?

3 A Yes.

4 Q And isn't it more complicated to do that for
5 every possible collocater in all of the space and
6 entire central office as opposed to simply processing
7 one request?

8 A Your 90 day interval doesn't have a footnote
9 that says this assumes that only one person asks for
10 it. I mean, your interval is what you will give and
11 if ten people show up and ask for it, your interval
12 still applies to all ten people. I mean, the
13 characterization that that interval applies under an
14 assumption that only one person has asked for it, I
15 think, is incorrect.

16 Q Well, are you making the contrary assumption
17 or are you making the assumption that within one 90
18 day interval that BellSouth will have enough requests
19 to fill up an entire central office, and therefore,
20 it's reasonable to think that they should be able to
21 build-out the whole central office in 90 days? Is
22 that what you're assuming?

23 A I'm sorry, Mr. Carver. I don't understand
24 that question.

25 Q Okay. Well, you said that I'm assuming that

1 there aren't going to be multiple requests at one
2 time. And I'm saying, are you assuming the opposite
3 extreme? Are you assuming that they're going to be so
4 many requests at one time that, in effect, BellSouth
5 is going to be building out collocation space for the
6 entire central office at one time? Is that what
7 you're assuming?

8 **A** No. I think I'm trying to point out the
9 obvious. And that is, that you're the largest
10 provider of telecommunications equipment or
11 provider -- scratch that. You are the largest
12 purchaser of collocation space in your network today.
13 Your demands and growth curves are going to decide
14 most of the change in space requirements in the
15 central offices. When we overlay the demand of the
16 new people it's going to incrementally effect how much
17 space you need to have available on a going forward
18 basis and that, quite frankly, we're not talking --
19 since your own testimony is you can create space in 90
20 to 120 day intervals, asking that you be prepared for
21 applications to shorten that shouldn't do much
22 engineering effect on you.

23 I mean, the reality is your witnesses kept
24 pointing out that you want to be stewards of the
25 central office and take into account all the demands

1 of everybody and do what's right for everybody and
2 look across all the CLECs and do what makes sense for
3 everybody, and all I'm pointing out is, okay, if
4 you're stewards then practice good stewardship and
5 think ahead and be prepared and view this as a
6 product.

7 Q Okay.

8 A You wouldn't address any other product as
9 ICB at this point in the product development. I can't
10 believe that.

11 Q Okay. So what you're suggesting then is
12 that we should look at Florida and say, okay, based on
13 our forecast, this is where we believe the growth is
14 going to be and this is where we're going to develop
15 our own facilities to meet that growth so we'll just
16 go ahead and develop some collocation capacity in
17 those particular places based on what we know? Is
18 that fair?

19 A Yes. And, quite frankly -- yes. And I
20 can't see why this would seem to be a surprise to
21 BellSouth. Your witnesses are testifying that you
22 want to prepare -- that you're willing to prepare
23 standardized prices. Standardized prices are going to
24 be based on predictions of demand and fill factors and
25 others things. And all our testimony points out is,

1 yes, that's a good step. But let's move the actual
2 provisioning world into that forecast environment in
3 addition to just the pricing world.

4 Unless you're going to come back with prices
5 that assume a fill factor of one, which is that we
6 don't do anything until we already have a demand, and
7 therefore, all of our costs always track demand
8 perfectly, then to the extent that your prices have
9 any kind of fill factor associated with them, they're
10 implying that you're going to have capacity; that
11 you're going to take steps that aren't fully utilized;
12 that you're going to have inventory space, and our
13 whole testimony is, well, that makes sense, but move
14 your provisioning processes to reflect that as well.
15 Shorten those intervals because you should have space
16 available and waiting for customers, just like you do
17 for any other product.

18 Q I'm just trying to understand your proposal
19 and I think what I understand at this point is that
20 you don't expect us necessarily to build-out in the
21 entire state. You don't expect us to build-out in
22 every central office immediately. What you're asking
23 is that we would build-out basically based on where we
24 think growth is going to be?

25 A Yes.

1 **Q** Okay. Now, the other thing I want to try to
2 understand about your proposal is that if we're going
3 to have a statewide tariff, how would we develop that?
4 Would we actually build-out in all of these forecasted
5 central offices and then do some sort of an average
6 and then base the tariffed rates on that? Or would we
7 project what we think the costs will be in these
8 central offices? How would we arrive at that average
9 rate?

10 **A** When you gave the example in the first end,
11 the answer was yes. Fundamentally you would be
12 looking at projections. You would look at the cost --
13 just like you do for every other product that you
14 create tariffs for. You prepare to deliver it; you
15 look at the cost of being prepared to deliver it; you
16 look at expected fill factors for it and then you
17 develop prices to recover the costs of the service or
18 the offering.

19 **Q** Well, I understand generally how you develop
20 those. What I'm trying to get from you is your view
21 as to what we should use. Let's say we project that
22 there's going to be growth in 50 central offices. Do
23 we base the average rate specifically on those 50
24 offices?

25 **A** If that's the only place where you're going

1 to offer the tariffed service and be prepared to
2 actually meet demand, that would make sense. The
3 reality here is that you're going to have to look at
4 and look at, all right, what are the -- just like
5 every other product, Mr. Carver. I'm not asking
6 BellSouth to go out and do something dramatic or new
7 other than accept the obligation as a standard product
8 instead of pretending that this is a once in a
9 lifetime event that collocators are going to want to
10 buy space in your central offices. It's not once in a
11 lifetime. It's not going to go away. It's going to
12 be here for a long time and we'd like you to provide
13 it and be prepared to provision it like you do other
14 services and products.

15 Q And with all due respect, Mr. Gillan, I'm
16 not pretending it's a once in a lifetime event. I'm
17 just trying to understand how you think it should be
18 done. And that's really what all my questions go to.

19 So, on the pricing issue, let's say we
20 forecast that we would have -- that we would build-out
21 in 50 central offices. Originally we would come up
22 with an averaged rate for that and then as we offer
23 more would we have to change the tariff to accommodate
24 changes in cost reflected in adding the additional
25 central offices?

1 A I think there's two questions. I don't
2 think you're tariff is going to end up looking at only
3 50 central offices where you think there is going to
4 be demand. The tariff might be based on the cost
5 characteristics across that universe, but it doesn't
6 necessarily mean that it couldn't apply across all the
7 other end offices as well as long as those cost
8 characteristics were reasonably representative.

9 Secondly, do I expect you to then change the
10 tariff periodically and have us look at the costs
11 periodically in the future? Absolutely.

12 These costs, like all costs, change in time.
13 And periodically you go back and you look at them to
14 see whether or not, you know, these costs -- the
15 prices you were charging accurately reflect the costs
16 that you're incurring.

17 And just so that we're on the exact same
18 wavelength, my view is that what you're developing is
19 what is the cost to house telecommunications equipment
20 in a central office. A cost that is your cost as well
21 as the CLEC's cost because the answer here is,
22 whatever the cost is to house telecommunications
23 equipment in that central office, in the environment
24 created under the Advanced Services Order, the
25 sea-change was our equipment gets to go in the same

1 place your equipment gets to go. And so whatever the
2 cost is, it applies to both -- you know, those costs
3 get averaged across your equipment and our equipment
4 because we're sharing the same common infrastructure
5 or should be.

6 Q Now, if there's an average tariff,
7 regardless of how it's developed, the collocation cost
8 under that tariff may be different than the cost to
9 collocate in a particular central office, correct?

10 A Yes.

11 Q And I believe you said earlier that ALECs
12 would still have the ability to go into a particular
13 central office and say, we want to negotiate a
14 collocation rate for the particular place we want to
15 be; correct?

16 A Yes.

17 Q Now, in that scenario, if an ALEC has a
18 choice, let's assume they ask -- well, the rates that
19 they specifically negotiate would have to be
20 cost-based; correct?

21 A They have a legal right to cost-based rates,
22 yes.

23 Q So let's assume they are. The cost-based
24 rate that they would be entitled to in that particular
25 central office might be higher than the average rate

1 and it might be lower than the average rate, correct?

2 A It could be, yes.

3 Q So under your proposal they would basically
4 be able to go in, get a -- to use your term in your
5 testimony -- a customized rate or a rate from a
6 customized process, get a particular rate, compare
7 that to the average rate and then take whichever one
8 is lower. Could they do that?

9 A In the real world, I don't think that's the
10 way it works. But what I will agree could happen is
11 that there is a standard offering that many CLECs
12 subscribe to and take service from. That does not
13 eliminate the rights of a carrier under the Act to
14 come to you and try and negotiate for their particular
15 circumstances a different arrangement at different
16 prices. You have the right to either agree with them,
17 which has been known to happen, or disagree with them,
18 which has also been known to happen.

19 If you disagree with that carrier, then they
20 come before this Commission and an arbitration is held
21 and the Commission makes a determination as to whether
22 or not in this particular -- in that particular
23 situation for that particular carrier, it makes sense
24 for that carrier to receive lower rates under whatever
25 set of explanations. That is the process that exists.

1 That's the process that exists today when you filed an
2 SGAT. As I understand it, you offer an SGAT that has
3 standard prices but that doesn't mean that carriers
4 don't have the right to go negotiate.

5 Will some take advantage of it? Certainly.
6 Will some seek lower prices? Probably. Will they
7 have a good reason for those lower prices? I don't
8 know. But the Commission will decide when that time
9 comes.

10 Q Well, let's say that someone wants to
11 negotiate a rate that's lower than the standard rate
12 and that they get a cost out for particular central
13 office that is, in fact, lower than the average rate.
14 Do you believe that they would be entitled legally to
15 that lower rate?

16 A If the Commission decides that they are,
17 yes. If the Commission decides no, no.

18 Q Okay. Well, then, in your view, if that --
19 if BellSouth declined to give that carrier anything
20 other than the average rate, and that came to the
21 Commission as a complaint, should the Commission say,
22 look, you asked for a statewide tariff or, you know,
23 an averaged price tariff, you got it, you have to live
24 with that price, or should they allow the carrier to
25 get the lower price?

1 **A** It would depend on the circumstances,
2 Mr. Carver. It would depend on the circumstances.

3 **Q** So --

4 **A** I have no idea what the circumstances, you
5 know, would be in a particular application. But this
6 problem that you're addressing exists today.

7 **Q** Okay. Well, I'm just trying to --

8 **A** And people have a negotiation right. But I
9 don't recall anyone -- I don't recall BellSouth when
10 they filed the SGAT dropping a footnote saying, by the
11 way, Commission, unfortunately if you approve this
12 some people will still negotiate lower rates.

13 **Q** What I'm asking you --

14 **A** It's just the reality.

15 **Q** I'm sorry. I have trouble sometimes telling
16 when you're finished. I apologize. What I'm asking,
17 though, is your opinion in the specific context of
18 collocation. And the question again was, if there was
19 an average rate and a carrier wants to try to
20 negotiate on the basis of a specific central office to
21 get a lower rate, in your view, is that something the
22 Commission should allow?

23 **A** In my view the answer is, it depends on the
24 application. Obviously with every rate the Commission
25 has set there is a degree of averaging. TELRIC prices

1 are averaged. Today they're averaged statewide.

2 In theory, a carrier could come to BellSouth
3 and say, I'm not providing service statewide. I'm
4 providing only -- I'm providing service in only this
5 one central office and, in fact, I'm providing service
6 to only the single customer in that central office.
7 And I'm entitled to a cost-based rate for that central
8 office for that individual customer.

9 And you all can disagree, and you would, and
10 you can come to the Commission today in an arbitration
11 and come to the Commission and say, you're TELRIC
12 rates are cost-based across the statewide average, but
13 I'm entitled to an individual cost-based rate for this
14 specific customer.

15 Now, does everybody have a good legal
16 argument to bring this issue before the Commission?
17 Absolutely. The CLECs' lawyers will be sitting there
18 saying I'm entitled to a cost-based rate. You'd be
19 making the point that the Commission has already
20 established cost-based rates and that that would be
21 discriminatory and the Commission would make a
22 decision.

23 And candidly, you know, one extreme it's
24 obvious that this is ridiculous and as you get closer
25 to other circumstances and assumptions, there are

1 going to be reasonable parameters and somewhere the
2 Commission has the obligation to make that decision.

3 But -- I mean that's just the way -- that's
4 the world the Act created for us that carriers have
5 rights to do individual negotiations, yet at the same
6 time the results of all these individual negotiations
7 have to be nondiscriminatory.

8 Q So are you saying --

9 COMMISSIONER DEASON: Mr. Carver, let me ask
10 a question. I hate to interrupt, but this seems to be
11 a good point to ask it.

12 Should the ALEC have the ability to
13 negotiate when it wishes and avail itself of the
14 standardized tariff when it wishes or should there be
15 a requirement for each ALEC to choose, that for these
16 operations in the State of Florida you have one choice
17 or the other? If you want to negotiate you got to
18 negotiate everywhere you collocate or if you want to
19 avail yourself of the standardized tariff you do that
20 everywhere you collocate?

21 WITNESS GILLAN: I think the ALEC should
22 have the right to choose one or the other. As a
23 practical matter, Commissioner, ALECs fall into two
24 categories; those that are big enough and have the
25 resources and have the reasons to go down a

1 negotiation path, and generally everybody else.

2 And the everybody else category, I would
3 expect them -- I would expect what you would see is
4 people either come in and take the tariff or if they
5 don't take the tariff they'll want the results of the
6 tariff with one or two modifications that either are
7 or are not controversial on the specifics of the
8 application.

9 There's a -- it is difficult here to --
10 there's a balancing act here. By and large, many
11 things can be standardized and made available and I
12 think every ALEC will come here and -- every ALEC
13 other than the very large ones will come here and say,
14 experience over the past four years has shown it's a
15 heck of a lot easier to go in and do business in
16 states that have taken the basic things that everybody
17 needs and put them in a tariff so that you just know
18 what it is that you're going to get, and there's been
19 a process that carriers collectively have been able to
20 use to challenge those rate levels and challenge those
21 terms of conditions and help shape what that standard
22 offering is.

23 You know, that to me has been the lesson of
24 New York, the lesson of Illinois, the lesson of Texas,
25 that this process of asking for negotiation and doing

1 negotiation and going through arbitration may make
2 sense for large carriers and for carriers with very
3 unique business needs, but as a practical matter the
4 every day run of the mill entrant wants to have a
5 standardly developed options menu.

6 I don't believe, as a matter of -- as a
7 practical matter you could or should tell people you
8 either have it go here or there. But certainly as you
9 go through the process of adjudicating individual
10 arbitrations, based on the circumstances that come
11 before you, you can make decisions that have the same
12 practical effect without, on the front end of this
13 process, restricting carrier rights.

14 **COMMISSIONER DEASON:** Well, let me make this
15 observation. It seems to me that the larger carriers
16 who have the expertise and wherewithal to negotiate
17 where they think is to their advantage to negotiate,
18 according to what I just heard you say, they will do
19 that. And they will also know where it's more
20 advantageous for them to simply avail themselves of a
21 standardized averaged rate when they know if they went
22 in and negotiated they're probably going to find out
23 that the costs are higher than the average. And that
24 in a sense they're having their cake and eat it too.

25 **WITNESS GILLAN:** But in my experience in the

1 states that have tariffs and where this is working
2 smoothly, I can't recall a single instance where a
3 carrier has tried to run part of its business ordering
4 things out of a tariff, and then for the same thing,
5 in different end offices trying to run its business
6 ordering things out of an interconnection agreement.

7 It is true that as a theory maybe you could
8 get there, but I've not -- in four years I've not seen
9 it tried once and I don't believe -- you know, I don't
10 believe in practice you will see that.

11 **COMMISSIONER DEASON:** So are you saying then
12 that the smaller carriers who wish to avail themselves
13 of a standardized tariff will do that and the larger
14 carriers that want to negotiate, they're going to
15 negotiate everywhere?

16 **WITNESS GILLAN:** Well, they'll negotiate, at
17 least for that arrangement, on a statewide basis. At
18 that's been my experience. They go down one of these
19 two paths. Now, you might have a carrier that says
20 for collocation I'm going to buy out of the tariff but
21 for network elements I want to negotiate an agreement.

22 **COMMISSIONER DEASON:** I'm speaking
23 strictly --

24 **WITNESS GILLAN:** But in terms of -- the
25 major -- no.

1 **COMMISSIONER DEASON:** So if that's what's
2 going to happen, what's wrong with saying you choose?
3 If you want to avail yourself of the tariff everywhere
4 you collocate in Florida, use the tariff, and if you
5 want to do an individual case basis negotiation
6 everywhere you collocate that's fine too, but you
7 can't -- you got to do one or the other.

8 **WITNESS GILLAN:** Because I believe that
9 flexibility is better than rigidity; that options are
10 better than government restrictions and that you
11 should at least see if a problem arises before you
12 take away carrier options.

13 **COMMISSIONER DEASON:** Well, it seems to me
14 there's a fundamental requirement that the company's
15 costs need to be recovered and if you come up with a
16 standardized average tariff, by definition some
17 installations are going to be below the cost of that
18 specific installation and some installations are going
19 to be over. And that to ensure that there's going to
20 be balance in the recovery of the costs, that the pick
21 and choose option is going to have the effect of
22 denying the company the opportunity to recover all its
23 costs. Do you agree with that or not, and if you
24 disagree, tell me why.

25 **WITNESS GILLAN:** I disagree fundamentally

1 because I've never seen it happen. I've never seen
2 somebody try and do what you're assuming would occur.
3 And I disagree because I'm not anywhere near the point
4 yet of really believing that there's such geographic
5 variation in these costs that we're going to get to a
6 point where a carrier -- typically these costs, these
7 space costs, a carrier is going to show up and say, I
8 demand of you a geographically distinct rate here and
9 that the Commission would actually arbitrate in their
10 favor.

11 In the real world what will happen -- if we
12 get to the point where we really have enough
13 experience and cost information to believe that
14 there's a low cost area here, a middle cost area here
15 and a high cost area in some other part of the state,
16 then the more likely outcome is, we move to have the
17 tariff deaveraged. And so that the tariff reflects
18 these costs zones and then whatever carrier tries to
19 get out of those cost zones by saying that they have
20 some even more grandeur need, you're going to tell
21 them no, just like in the context of loops.

22 You never had a carrier come in here and
23 say, during the period you had average loops --
24 average loop prices come to you and say, but I'm not
25 doing business throughout the state. I'm only doing

1 business in south Florida and so, therefore, you, the
2 Commission, should give me a lower rate than everybody
3 else pays. The process was, let's go and fix the
4 tariff and make it geographically deaveraged.

5 To me that's how the whole thing would roll
6 out. And, you know, even from that perspective, as
7 I'm thinking it through, the association would likely
8 be here telling to you do it that way because those
9 people who are buying things under the average tariff
10 aren't going to want to see this other carrier come in
11 and be able to undercut them. If there is a need to
12 go to a greater level of geographic deaveraging then
13 we would want to see the tariff go to a geographically
14 deaveraged basis so that all carriers in similar areas
15 have a similar cost structure. Just like -- which is
16 exactly what you've seen with loops, right? Nobody
17 came and asked for a special one, but we all came and
18 asked that the loop rate schedule reflect costs more
19 closely.

20 **COMMISSIONER DEASON:** Well, then I would
21 take it by that response that we simply should have a
22 standardized tariff and then that when the market
23 becomes sophisticated enough that they feel like that
24 there needs to be refinement of the tariffs, that that
25 would be requested and when it matures to that point

1 we'll consider a high, medium and low cost tariff
2 areas.

3 **WITNESS GILLAN:** And I agree with that. My
4 only disagreement with you -- and I don't think it's a
5 disagreement on outcome at all. My only disagreement
6 was, I don't see any reason for you today to try and
7 put restrictions in either interconnection agreements
8 or tariffs that tell people how they have to behave
9 simply because I think the market needs more
10 flexibility than that. But, in terms of everything
11 else we've talked about, I think we're in 100%
12 agreement, both in terms of, if a problem arose how
13 would you spot it. Well, you'd see it because it
14 wouldn't happen out in some alley somewhere, it would
15 be brought in front of you as a dispute; and in terms
16 in how you would address that dispute.

17 My only disagreement is, don't go down the
18 path of trying to guess at whatever problem -- every
19 problem that's going to occur in the future and try
20 and correct it before it happens.

21 **COMMISSIONER CLARK:** I have a question,
22 Mr. Gillan. Under the Act could we say that
23 collocation -- we'll do a tariff and you will purchase
24 out of the tariff and there's no opportunity for
25 individual negotiation?

1 **WITNESS GILLAN:** No, I don't believe that
2 you could.

3 **COMMISSIONER CLARK:** The FCC order and rules
4 wouldn't allow us to do that?

5 **WITNESS GILLAN:** I don't think the Act would
6 allow to you do that. I mean, the Act is pretty clear
7 that carriers have a right to negotiate.

8 Now, they don't have a right -- they have a
9 right to negotiate and then they have a right to
10 arbitrate and that's where you get to come back into
11 the process and apply your judgment as to what they
12 get. But, I don't believe that you could legally say
13 you can either do it this way or do it that way. We
14 are certainly not encouraging that.

15 **COMMISSIONER CLARK:** I'm sorry. My question
16 was, you'll do it this way and that's it.

17 **WITNESS GILLAN:** You mean just do tariffing?

18 **COMMISSIONER CLARK:** Yes.

19 **WITNESS GILLAN:** No, you couldn't do that.

20 **COMMISSIONER CLARK:** You have -- the Act
21 requires them to have the opportunity to negotiate?

22 **WITNESS GILLAN:** Yes.

23 **COMMISSIONER CLARK:** We couldn't even say
24 something like when you purchase less than "X" amount
25 of space or whatever in cageless collocation that you

1 will use the tariff, anything above you can negotiate?

2 **WITNESS GILLAN:** No, I don't believe you can
3 do anything like that.

4 **COMMISSIONER DEASON:** Since we're asking for
5 legal opinions, do you think --

6 **WITNESS GILLAN:** I don't think these are
7 actually really tough legal calls.

8 **COMMISSIONER DEASON:** Do you think it's
9 legally permissible to have the requirement that a
10 company, an ALEC choose either to avail themselves of
11 the tariff or all installations or to negotiate but
12 they cannot use the tariff, they have to negotiate
13 every installation?

14 **WITNESS GILLAN:** I hate to give you advice
15 on how to do something you shouldn't do. But if you
16 were to do this thing which you shouldn't do, I assume
17 it would be possible to write a tariff where -- you
18 couldn't do anything to restrict a carrier's
19 negotiation rights. But in the tariff that would be
20 under your jurisdiction you -- I hate to give you this
21 advice. You could, I suppose, since it's a Florida
22 tariff write into the terms and conditions of the
23 tariff that in order to subscribe to the tariff it had
24 to be an all or nothing arrangement.

25 Now, I would strongly discourage you from

1 doing it because I think what you'd find is that there
2 might be situations where -- you know, our vision of
3 this tariff is that it's a pretty comprehensive set of
4 prices, terms and conditions so that you could
5 subscribe to it and get service without having an
6 interconnection agreement and there might be carriers
7 who have special collocation needs in one or two
8 offices and they can even reach an agreement with the
9 ILEC as to, well, all over the place we want out of
10 the tariff, but in these offices we want to do "X, Y
11 and Z" for whatever set of reasons, completely
12 unpredictable reasons.

13 Because, you know, Commissioner three years
14 ago when we did the AT&T and MCI arbitrations, of all
15 the CLECs that are in this room today I think maybe
16 one of them was in -- maybe two of them were in
17 existence. The rest of them didn't even exist nor did
18 the technology or the business plan they're pursuing
19 exist.

20 So when you start putting those kind of
21 restrictions into the tariff, you're going to
22 create -- it's like Pandora's restriction. You're
23 going to do things that you never anticipated having
24 done all to, as I understand this conversation,
25 prevent a problem that has never occurred anywhere in

1 the United States even though in many states you have
2 this dichotomy of a tariff that people can subscribe
3 to and they still have interconnection rights.

4 Again, I would strongly encourage you to not
5 think this way and not do it, but I have to also
6 honestly answer that you probably have the legal
7 authority until one or other of us sue you and get
8 lucky in a court to change -- you know, to put in this
9 tariff whatever terms and conditions you want.

10 **COMMISSIONER CLARK:** I have another
11 question. Could you -- let me think about it a
12 minute. Could you say that if you purchase out of a
13 tariff these time intervals apply, if you choose to
14 negotiate some other time intervals apply, recognizing
15 that negotiation takes a little more time? I mean,
16 I'm trying to think. Do we need to provide -- I'm not
17 sure we need to provide incentives but it strikes me
18 that one of the incentives of a tariff is it removes a
19 delay barrier, removes an uncertainty barrier and
20 allows a more rapid deployment of competitive
21 services. If you negotiate don't you build in --
22 doesn't it require more time? I mean, that's one of
23 your arguments, isn't it, for a tariff?

24 **WITNESS GILLAN:** When you negotiate, what
25 you build in is argument, at least in terms of what

1 the interconnection agreement should say.

2 Now, let me answer it this way. I don't
3 think you can -- you can, as a matter of law, or
4 should, as a matter of policy, really put advance
5 restrictions on what can come out of carrier
6 negotiations as a practical matter.

7 **COMMISSIONER CLARK:** So they might negotiate
8 an interconnection agreement that says how they will
9 price collocation which isn't out of the tariff and
10 that shouldn't affect the interval for provisioning?

11 **WITNESS GILLAN:** Well --

12 **COMMISSIONER CLARK:** It shouldn't affect the
13 interval for asking for it or provisioning it?

14 **WITNESS GILLAN:** I don't want to say that
15 because it's possible that if I were to sit down and
16 negotiate with Bell that I want a different set of
17 prices, a very complicated -- well, the prices that
18 exist today. That that's how I want them to do
19 collocation for me. It would be -- it would be wrong
20 in that negotiation to -- let me say it this way.

21 If I also, in that negotiation, said I want
22 you to apply this very complicated pricing mechanism
23 to my collocation arrangements and at the same time I
24 want you to be able to deliver me those price quotes
25 in a very short interval that matches the tariff, then

1 I think BellSouth would disagree and it would show up
2 as an arbitration in front you and then when you
3 looked at it you'd say well, this doesn't make any
4 sense. If you want complicated pricing, then you've
5 got to give them the time to apply the complicated
6 pricing matrix.

7 But that's the process that it has to happen
8 in, quite frankly, and anything that goes down that
9 arbitration path, you can't adjudicate it until in
10 shows up in front of --

11 **COMMISSIONER CLARK:** That we should just
12 leave it to them with regard to the intervals.

13 **WITNESS GILLAN:** Well, I'm not sure -- if I
14 understand that question, I'm not -- I'm getting a
15 little bit on shaky ground here of how it does turn
16 out that whatever intervals you adopt here for outside
17 of a tariff environment shows up in those
18 interconnection agreements.

19 **COMMISSIONER CLARK:** I suppose that could be
20 one basis for an argument that there is extraordinary
21 circumstances and there would be a negotiation as to
22 the interval at the time that they request it.

23 **WITNESS GILLAN:** Yes. And that really would
24 then occur in the negotiations between those carriers
25 to the extent that they want some arrangement

1 different than the standard tariff. Even carriers who
2 end up negotiating I think are likely to look at the
3 standard tariff as the model for the collocation
4 section of their interconnection agreement.

5 And really the only thing you that you would
6 ever see in an arbitration is the extent to which
7 there were disputes over, they want to bring in --
8 they want to bring into their appendix or whatever the
9 whole tariff with the exception of these three
10 provisions. If they agree, fine. It's not an issue
11 for you to resolve. If they disagree then -- on
12 whatever the merits are of that case you have to look
13 at it.

14 And I've been involved in some activities in
15 other states where we're creating that standard tariff
16 and we're doing it going the other way. We're
17 starting with the standard contract that a carrier has
18 offered. We are taking that as our model. We're
19 stripping out of it the things that we find
20 unacceptable. We are imparting to it the things that
21 we want to replace it with and we're creating the
22 tariff out of that standard agreement.

23 So the documents -- at the end of the day
24 the documents, even for negotiated carriers, are
25 likely to have a lot of the form of the standard

1 tariff. Just like the standard tariffs that we're
2 working to evolve have as their genesis the contracts.

3 **COMMISSIONER CLARK:** Thank you.

4 **COMMISSIONER JACOBS:** Are we talking about
5 all forms of collocation or just cageless?

6 **WITNESS GILLAN:** When we started down this
7 path we, the association, were focused principally on
8 cageless. What we found, quite frankly, through this
9 proceeding is that the objection to whether there is a
10 tariff or not does not hinge on whether it's caged or
11 cageless. It hinges on other issues. And the GTE
12 tariff, for instance, embraces all forms. I believe
13 Sprint favors all forms.

14 So, in an effort to be less controversial,
15 we started out only talking about cageless, but
16 candidly today we would be recommending, let's get a
17 tariff in place for all of these forms of collocation,
18 recognizing that the terms, conditions and
19 provisioning intervals are likely to be different for
20 caged versus cageless.

21 **COMMISSIONER JACOBS:** How would you work
22 through the other ancillary issues; what space is
23 available; what space falls under the tariff, those
24 sorts of things? It seems to me it would be difficult
25 if every one who sought to purchase under tariffs

1 could arguably ask for, review a tour and go through
2 the whole process every time they purchase out of a
3 tariff.

4 **WITNESS GILLAN:** Actually, the issue as to
5 whether to use a tariff or not use a tariff doesn't
6 affect those issues at all. Whatever the decision the
7 Commission reaches regarding those, that decision
8 applies to everybody and then it either ends up as
9 provisions in a contract or as provisions in the
10 tariff, such as the right to have a tour. When we
11 create the terms of the tariff, that right will be in
12 the tariff. If you write a contract, that right is in
13 the contract.

14 So, those procedures, those provisions,
15 basically are the same whether you present it in the
16 tariff or you present it in a contract. It doesn't
17 really effect who has those rights or how many times
18 they get utilized or any of those things. The tariff
19 issue is sort of neutral on those points.

20 **COMMISSIONER JACOBS:** Would it -- well, you
21 answered that question already. Thank you.

22 **COMMISSIONER DEASON:** Mr. Carver, I think
23 you've already exceeded your cross-examination time.
24 I'm kidding.

25 **MR. CARVER:** Actually, I have no further

1 questions.

2 **COMMISSIONER DEASON:** That's great.

3 **MR. CARVER:** I think they all got answered.

4 **CROSS-EXAMINATION**

5 **BY MS. CASWELL:**

6 **Q** Good morning, Mr. Gillan. I just have a
7 couple of questions. How many cageless collocation
8 tariffs have you seen?

9 **A** Not counting the one I'm writing, three.

10 **Q** I'm sorry. I didn't catch that.

11 **A** Not counting the one that I'm writing and
12 the various drafts of that that I've gone through,
13 three.

14 **Q** And how long have they typically been in
15 effect, keeping in mind that ours isn't effective yet?

16 **A** I wasn't actually thinking of yours. So my
17 answer is four, counting yours.

18 **Q** Okay.

19 **A** Cageless collocation is relatively new.
20 What's the date of the advanced services order?

21 **Q** Well, would you say a few months at most?

22 **A** Well, yes and no. I've done a lot of review
23 of the collocation arrangements that CLECs offer.
24 Okay. And CLECs offer cageless collocation all over
25 the place and those types of arrangements have been in

1 place for several years. It's the favored and
2 expected industry norm in the competitive industry.
3 So those arrangements -- I wouldn't call them tariff
4 so much as sales literature. And those arrangements,
5 like I said, have been available for a couple of
6 years. The Texas tariff has been in effect for maybe
7 a half a year.

8 Q You're talking about the ILEC tariff now,
9 right?

10 A Yes. Yes, the Texas tariff is the tariff
11 that the ILECs offer.

12 Q So as to the ILEC tariffs, you'd say that
13 six months or less is probably accurate; is that
14 right?

15 A You know, six to eight months. I can't
16 really recall when the New York tariff went into
17 effect.

18 MS. CASWELL: Thank you. That's all that I
19 have.

20 COMMISSIONER DEASON: Staff.

21 MS. KEATING: Staff has no questions.

22 COMMISSIONER DEASON: I'm sure the
23 Commissioners can't have any more questions. Any
24 questions? Okay. Redirect.

25 MS. KAUFMAN: I have no redirect. Thank

DIRECT EXAMINATION

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BY MR. SAPPERSTEIN:

Q Mr. Jackson, have you been previously sworn?

A Yes, I have.

Q Will you please state your name and business address for the record, please?

A My name is Carl Jackson. My business address is 360 Interstate North Parkway, Suite 500, Atlanta, Georgia, 30339.

Q Who are you employed by and in what capacity?

A I'm employed by Intermedia Communications. I'm senior director of industry policy, and I'm responsible for the negotiation of interconnection agreements throughout the United States.

Q Are you aware that Intermedia filed the direct testimony of Julia Strow in this docket on October 28, 1999 consisting of 17 pages and no exhibits?

A Yes, I am.

Q Are you aware that Intermedia filed the rebuttal testimony of Julia Strow in this docket on November 19, 1999 consisting of 20 pages and no exhibits?

A Yes, I am.

1 Q Are you further aware that on January 13,
2 2000, Intermedia filed revised direct testimony
3 consisting of 17 pages and revised rebuttal testimony
4 consisting of 21 pages?

5 A Yes, I am.

6 Q Are you adopting that revised direct and
7 rebuttal testimony of Julia Strow as if it were your
8 own?

9 A Yes.

10 Q I apologize for this. Do you have any
11 additional corrections to the revised direct and
12 rebuttal testimony?

13 A Just a couple and they were typographical
14 basically when we made the charges and I'd be glad to
15 go through those.

16 Q Could you, please.

17 A Yes. In the rebuttal testimony that I
18 adopted on Page 2, Line 21 it was incorrectly changed.
19 It should read "15 business days."

20 On Page 3, Line 3, it should also read "15
21 business days."

22 And finally, on Page 4, Line 5, it should
23 read "30 business days." And that's all.

24 Q With those changes, if I were to ask you the
25 same questions today, would your responses be the

1 same?

2 **A** Yes, they would.

3 **MR. SAPPERSTEIN:** Commissioner Deason, I ask
4 that Mr. Jackson's -- testimony adopted by Mr. Jackson
5 be inserted into the record.

6 **COMMISSIONER DEASON:** Without objection, it
7 shall be so inserted.

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1 **Q: Please state your name, employer, position and business address.**

2 **A:** My name is Julia Strow. I am employed by Intermedia Communications Inc.
3 ("Intermedia") as Assistant Vice President, Industry Policy. My business address is 3625
4 Queen Palm Drive, Tampa, Florida 33619.

5
6 **Q: What are your responsibilities in that position?**

7 **A:** I am a primary interface between Intermedia and the incumbent local exchange carriers
8 ("ILECs"). I am responsible for the setting of Intermedia's state and federal regulatory
9 policy. In that capacity, I testify on behalf of Intermedia in federal and state proceedings
10 dealing with local competition issues. I am also responsible for interconnection
11 negotiations with – and arbitrations against ILECs, and in rulemaking proceedings
12 addressing unbundled network elements, interconnection, collocation, resale, and related
13 matters

14
15 **Q: Please briefly describe your educational background and professional experience.**

16 **A:** I graduated from University of Texas in 1981 with a B.S. in Communications. I joined
17 AT&T in 1983 as a Sales Account Executive responsible for major market accounts. I
18 subsequently held several positions with BellSouth Telecommunications, Inc.'s
19 ("BellSouth's") Marketing and Regulatory Departments. I joined Intermedia in April 1996
20 as Director of Strategic Planning and Industry Policy, and subsequently was promoted to my
21 current position.

22

23

1 **Q: Please describe the nature of Intermedia's business.**

2 **A:** Intermedia is one of the country's largest and fastest growing integrated communications
3 providers (ICPs), providing a full range of local and long distance voice and data services
4 to business and government end users, long distance carriers, information service
5 providers, resellers and wireless carriers. Intermedia also provides Internet connectivity,
6 web site management, and private network solutions on a nationwide basis through
7 Digex, our national information service provider affiliate.

8
9 Intermedia has operated as a facilities-based communications service provider in Florida
10 beginning in 1992 with data services and moving into voice services in 1996. Intermedia
11 has five Nortel DMS 500 voice switches in the state of Florida. These switches are
12 located in Jacksonville (1), Orlando (2), Tampa (1), and Miami (1). These voice switches
13 provide a full range of local exchange services and long distance services. Intermedia
14 also has forty-seven data switches in the state of Florida. Fifteen of the forty-seven data
15 switches comprise the State of Florida frame relay network. This network is dedicated to
16 the State of Florida for use by its agencies and no commercial traffic traverses this
17 network. The commercial frame relay network in Florida is comprised of twenty-five
18 switches throughout Florida located in Daytona Beach, Ft. Lauderdale, Gainesville,
19 Jacksonville, Miami, Ocala, Orlando, Panama City, Pensacola, Tampa, Tallahassee, and
20 West Palm Beach. Intermedia also has seven (7) ATM switches in Florida located in
21 Jacksonville, Tallahassee, Orlando, Tampa, Ft. Lauderdale, and Miami. These advanced
22 telecommunications switches use packet-switched or cell-based technology for the
23 provision of many high-speed data services. At this time, Intermedia has approximately

1 33,000 customers in Florida for whom we provide local, long distance, data, private line,
2 or Internet services.

3
4 **Q: What is the purpose of your testimony?**

5 **A:** The purpose of my direct testimony in this proceeding is to discuss the incumbent local
6 exchange carrier's ("ILEC's") collocation obligations under the Federal Communications
7 Commission's ("FCC's") First Report and Order FCC 99-48, CC Docket No. 98-147, In
8 the matter of Deployment of Wireline Services Offering Advanced Telecommunications
9 Capability (or "FCC Collocation Order"), released March 31, 1999. I will also discuss
10 what the Florida Public Service Commission ("Commission") should require of the
11 ILECs beyond what was ordered by the FCC.

12
13 **Q: What obligations, if any, does an ILEC have to interconnect with ALEC physical**
14 **collocation equipment located "off-premises"?**

15 **A:** As a result of the FCC's Collocation Order, it is clearly the obligation of the ILEC to
16 provide collocation the FCC adopted rule 51.323(k)(3) requiring the ILECs to provide
17 "off-premises" or "Adjacent Collocation" where space is legitimately exhausted in a
18 particular ILEC central office and where it is technically feasible. The FCC's
19 Collocation Order acknowledged that many state and local regulations such as zoning
20 laws will most likely affect the ILECs ability to provide adjacent collocation. Therefore,
21 it asked state commissions to address such issues.

22

1 **Q: What terms and conditions should apply to converting virtual collocation to**
2 **physical collocation?**

3 **A:** The ILECs should be required, upon request, to convert any virtual collocation to a
4 physical cageless collocation arrangement. Intermedia asserts that the FCC's Collocation
5 Order and rules specifically provide for alternative local exchange companies ("ALECs")
6 to remain commingled with the ILECs equipment, but under a physical cageless
7 collocation arrangement. The FCC's Collocation Order specifies that:

8 An incumbent LEC must give competitors the option of collocating
9 equipment in any unused space within the incumbent's premises, to the
10 extent, technically feasible, and may not require competitors to collocate
11 in a room or isolated space separate from the incumbent's own equipment
12 (§ 42).
13

14 In addition, the FCC goes on to state that ILECs must make cageless available in single-
15 bay increments, which means that an ALEC can purchase space small enough to
16 collocate a single rack, or bay of equipment.
17

18 **Q: Can the ILECs require ALECs to reconfigure or move existing virtual equipment to**
19 **a separate space when converting from virtual to physical cageless collocation?**

20 **A:** Absolutely not. The FCC Collocation Order was very clear on this issue. The ILEC
21 cannot require such separation or rearrangement because it imposes unnecessary
22 additional costs on competitors. The FCC makes this clear in its Collocation Order:

23 The incumbent LEC may take reasonable steps to protect its own
24 equipment, such as enclosing the equipment in its own cage, and other
25 reasonable security measures...The incumbent LEC may not, however,
26 require competitors to use separate rooms or floors, which only serves to
27 increase the cost of collocation and decrease the amount of available
28 collocation space. The incumbent LEC may not utilize unreasonable

1 segregation requirements to impose unnecessary additional costs on
2 competitors (§ 42).
3

4 Therefore, this Commission should require ILECs to convert, upon request by the ALEC,
5 existing virtual collocation arrangements to physical cageless collocation without moving
6 or rearranging the equipment and at no charge. The ALEC equipment must remain in its
7 existing space and be subject to terms and conditions of physical cageless collocation.
8

9 **Q: Is there a difference between provisioning collocation in a new space and**
10 **provisioning changes to an existing collocation arrangement?**

11 **A:** Yes. As a general rule, response and implementation intervals will be shorter when
12 making changes to existing collocation arrangements. These intervals are shorter because
13 the collocation arrangement is already established, and in most of the augmentations the
14 ALEC is simply installing additional equipment. In these cases, the ALEC is doing most
15 of the work so any work by the ILEC should not take long. Finally, most augmentation
16 do not require additional space for the ALEC, therefore unlike new collocation
17 arrangements, these response and implementation intervals are much shorter. ALEC
18 access to its collocation arrangement was one of the factors that the FCC looked at when
19 it developed its new rules. In order to give ALECs the ability to effectively compete, it is
20 very important that they have the flexibility to make quick and efficient changes to its
21 collocation arrangements.
22

23 **Q: What are the appropriate response and implementation intervals for ALEC**
24 **requests for changes to existing collocation space.**

1 A: Although the FCC's Collocation Order does not provide for specific response and
2 implementation intervals with respect to requests for changes to existing collocation
3 space, it does require that the ILEC notify ALECs within ten (10) calendar days whether
4 its collocation application for a new collocation arrangement is accepted or denied.
5 Intermedia requests that this Commission prescribe implementation interval standards for
6 changes to existing collocation space which are binding on the ILEC. In fact, the FCC
7 encourages state commissions to implement specific time intervals in its Collocation
8 Order.

9
10 Because changes to an existing collocation space generally require less work by the
11 ILEC, response and implementation intervals must be less for new collocation
12 arrangements. Therefore, Intermedia will first address appropriate ILEC *response*
13 *intervals* to augment existing collocation spaces. To clarify, response intervals are the
14 time frame that the ILEC must respond to the ALEC's augmentation application. Then I
15 will discuss the *implementation intervals* that must be prescribed when ALECs need to
16 make changes to their existing collocation space. Implementation intervals are the actual
17 timeframe that the ILEC has to do the work required by the ALEC in its augmentation
18 application.

19
20 Response Intervals

21 For changes to existing collocation arrangements requiring no additional space, the
22 Commission should require ILECs to respond to such applications within five (5)
23 calendar days. For changes to existing collocation arrangements that require additional

1 space, the ILEC should be held to the 10-day interval prescribed by the FCC in its
2 Collocation Order.

3 Implementation Intervals

4 Intermedia is recommending three different implementation intervals for changes to
5 existing collocation spaces – (1) augmentations requiring no ILEC work; (2)
6 augmentations requiring ILEC work; and (3) augmentations requiring additional space.

7
8 First, if the augmentation of the collocation arrangement requires no work by the ILEC,
9 then ALECs should be able to begin work on the arrangement as soon as the application
10 is accepted. For example, if the existing collocation arrangement already has a POT bay
11 and the only change the ALEC is making is adding a piece of equipment, then there is no
12 work for the ILEC to perform. As a result the ALEC should be able to begin installing
13 the equipment as soon as the application is accepted by the ILEC. Second, when work is
14 required by the ILEC on the collocation arrangement, such as the addition of facilities
15 (DS1s or DS3s) or engineering additional power to the collocation arrangement, the
16 Commission should require ILECs to implement such changes within 45 calendar days.
17 These types of changes take longer because the ILEC must review, engineer, and prepare
18 the space and then install and test the facilities. Third, when the ALEC submits an
19 application for changing existing collocation space that requires additional space, the
20 Commission should require the ILECs to implement such changes within 60 calendar
21 days. The only difference between this situation and last augment discussed is that the
22 ILEC must prepare the space; the rest of the work is identical. Therefore, Intermedia

1 asserts that an additional 15 calendar days is sufficient time for the ILEC to accomplish
2 all changes.

3 **Q: What is the appropriate provisioning interval for cageless physical collocation?**

4 **A:** Again, the FCC's Collocation Order does not provide for specific provisioning intervals
5 with respect to cageless physical collocation. However, it has emphasized the importance
6 of timely provisioning and asked the state commission to implement such intervals so
7 that ALECs are able to compete. For cageless physical collocation, Intermedia requests
8 the Commission to prescribe the ten (10) day response interval as prescribed by the FCC
9 Collocation Order which is the interval the ILEC has for determining if space is
10 available. Assuming space is available, then the implementation interval for provisioning
11 the cageless physical collocation, should be no more than fifty (50) calendar days.
12 Therefore, the total interval for "occupancy-readiness" should be at most sixty (60)
13 calendar days. Generally, cageless physical collocation intervals should be shorter than
14 traditional caged physical collocation since the ILEC is not required to build a cage in a
15 separate designated area of the central office.

16
17 **Q: What are the responsibilities of the ILEC and collocators when a collocator shares
18 space with, or subleases space to, another collocator?**

19 **A:** Again, the FCC's Collocation is very clear in this matter. In ¶ 41 of the Order, the FCC
20 requires that ALECs sharing space with, or subleasing space to another collocator, be
21 able to negotiate the collocation arrangement subject to the rates, terms and conditions
22 that the two or more ALECs agree upon. Therefore, the ALECs are responsible for
23 setting the terms and conditions of the shared space and not the ILEC.

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The Order also states that the ILECs cannot increase the cost of site preparation beyond what is charged to a single collocator and additionally must also prorate the charge for site conditioning and preparation regardless of how many collocators there are in the cage.

Finally, the FCC also made it clear in its Collocation Order that, “if two or more competitive LECs who have interconnection agreements with the incumbent LEC utilize a shared collocation arrangement, the incumbent LEC must permit each competitive LEC to order UNEs to and provision service from that shared collocation space, regardless of which competitive LEC was the original collocator” (§ 41).

Q: What are the responsibilities of the ILEC and collocators when a collocator cross-connects with another collocator?

A: It is the responsibility of the ILEC to require such cross connections without any additional costs or any restrictive terms and conditions. The FCC’s Collocation Order, § 33, states that if a collocator cross-connects with another collocator, the collocators can construct their own cross connect facilities subject to the same safety requirements the ILEC imposes on itself. This scenario would also apply even if the collocator’s equipment were located in the same room as the ILEC. The ILEC cannot require the ALEC to purchase any equipment or cross connect capability solely from the ILEC at tariffed rates. Therefore, it is the ALECs responsibility to work with the other collocator and the ILEC when making such cross connections between collocators.

1 **Q: What are the reasonable parameters for reserving space for future LEC and ALEC**
2 **use?**

3 **A:** ILECs should follow a procedure that contains at least a three-year planning horizon. For
4 this three-year period, ILECs should forecast the need for future space for both its
5 internal growth and for projected collocation growth. ALECs should work with ILECs to
6 provide accurate forecast for future collocation needs. A minimum amount of space for
7 ILEC growth and ALEC collocation should be available at each central office. If the
8 space falls below this threshold, the ILEC should have to begin to create plans for
9 expansion of the central office space. The FCC contemplated such planning procedures
10 in its Collocation Order, ¶ 58, when it required ILECs to submit a report to a requesting
11 carrier that specifies measures that the ILEC is taking to make additional space available
12 for collocation.

13
14 **Q: Do you have a recommendation for the threshold of minimum amount of space that**
15 **ILECs should reserve for their own growth and for ALEC collocation?**

16 **A:** No. Intermedia does not know how much space within each central office the ILECs will
17 need for their own growth. However, the ILECs should be required to have enough space
18 for at least two collocators in a specific central office. When space falls below the
19 amount necessary for two collocators, the ILEC should first be required to give up the
20 space it has reserved for growth if an ALEC or ALEC requests the space. Next, the ILEC
21 should then begin to create plans for expansion of the central office.

22

1 **Q: Can generic parameters be established for the use of administrative space by an**
2 **ILEC, when the ILEC maintains that there is insufficient space for physical**
3 **collocation?**

4 **A:** Yes. The Commission should develop such procedures in order to assign space that
5 becomes available through creation, conversion or reclamation of any space, including
6 administrative space, by the ILEC or by the implementation of the collocation
7 alternatives as discussed in the FCC's Collocation Order. The Commission should
8 require the ILECs to maintain on file, for five years, all applications for physical
9 collocation. When space becomes available or when an ILEC knows that space will
10 become available in the near future, it should immediately provide written notification to
11 the ALECs who had originally requested space and were denied. ILECs should make
12 space available in the order in which the ALECs originally applied (first-come first-
13 served).

14
15 **Q: Applying the FCC's "first-come, first-served" rule, if space becomes available in a**
16 **central office because a waiver is denied or a modification is made, who should be**
17 **given priority?**

18 **A:** Priority should be given to the ALEC based on the order in which the ALEC's originally
19 applied for collocation in that specific central office --- first-come first-served. ALECs
20 that receive notification should be required to respond in writing to the ILEC within three
21 calendar days, or be deemed to forfeit the space. If more ALECs respond than for which
22 there is space available, then the available space should be allocated to the requesting
23 ALECs on a first-come first-served basis.

1 If the amount of space that becomes available is less than the ALEC originally requested,
2 the ALEC should have the right of first refusal for the space. For example, if the first
3 ALEC had originally requested 100 square feet on August 1, 1998, and the second ALEC
4 had originally requested 75 square feet on October 1, 1998, and 75 square feet became
5 available, then the first ALEC should be able to choose the space or to pass.

6
7 ALECs that receive notification should be required to respond in writing to the ILEC
8 within three calendar days, or be deemed to forfeit the space. If more ALECs respond
9 than for which there is space available, then the available space should be allocated to the
10 requesting ALECs on a first-come first-served basis.

11
12 If the amount of space that becomes available is less than the ALEC originally requested,
13 the ALEC should have the right of first refusal for the space. For example, if the first
14 ALEC had originally requested 100 square feet on August 1, 1999, and the second ALEC
15 had originally requested 75 square feet on October 1, 1999, and 75 square feet became
16 available, then the first ALEC should be able to choose the space or to pass.

17
18 **Q: What equipment is the ILEC obligated to allow in a physical collocation**
19 **arrangement?**

20 **A:** Section 251(c)(6) of the Communications Act requires ILECs to allow collocation of
21 “equipment necessary for interconnection or access to unbundled network elements.....”.
22 FCC Rule 51.323(b) provides that equipment used for interconnection and access to
23 UNEs includes, but is not limited to:

- 1 (1) Transmission equipment including, but not limited to, optical terminating
2 equipment and multiplexers.
- 3
- 4 (2) Equipment being collocated to terminate basic transmission facilities.
- 5
- 6 (3) Digital subscriber line access multiplexers, routers, asynchronous transfer
7 mode multiplexers, and remote switching modules.
- 8

9 The FCC concluded in its Collocation Order that ILECs should not be permitted to
10 impede competing carriers from offering advanced services by imposing unnecessary
11 restrictions on the type of equipment that competing carriers may collocate, including
12 equipment which provides switching functionality, enhanced services capabilities or
13 other functionalities. As a result, ILECs can no longer prohibit the types of equipment
14 collocated by ALECs as long as it is used for interconnection or access to unbundled
15 network elements. Given the trend in manufacturing to integrate multiple functions into
16 telecommunications equipment, Intermedia wants to make sure that ILECs do not place
17 any restrictions on these new types of equipment as long as the equipment is used for
18 interconnection or access to UNEs. This Commission should require all types of
19 equipment used or useful for interconnection to be allowed, and that it is the ILECs
20 responsibility to prove that such equipment does not meet the requirements of the FCC's
21 rules.

22

23 **Q: If space is available, should the ILEC be required to provide price quotes to an
24 ALEC prior to receiving a firm order for space in a central office (CO)?**

25 **A:** Yes. Not only should the ILEC provide the ALEC with a price quote for the space, but
26 they should also provide a detailed explanation of the quote, justifying the amount
27 charged. A break out of the costs is required initially for review by the ALEC, and the

1 ultimate billing should reflect this same breakdown so that the bills can be verified and
2 reconciled. The ALEC needs to see exactly what the ILEC is proposing to do and how
3 much it is going to charge when it prepares the space for the ALEC. Otherwise, there is
4 no way for an ALEC to justify that it has received a correct billing statement for the
5 space. Today, Intermedia only receives one flat price back from the ILEC after
6 submitting the application. Intermedia must know how the ILEC arrived at the price.

7
8 **Q: If an ILEC should provide price quotes to an ALEC prior to receiving a firm order
9 from that ALEC, when should the quote be provided?**

10 **A:** The ILEC should provide price quotes to the ALEC within thirty (30) calendar days from
11 the date of the application. This time frame is reasonable and must be met because the
12 ALEC must know if the price quoted by the ILEC is justified before the work on the
13 space has begun.

14
15 **Q: If an ILEC should provide price quotes to an ALEC prior to receiving a firm order
16 from that ALEC, should the quote provide detailed costs?**

17 **A:** Yes. As I have stated earlier, there is no way for the ALEC to justify reasonable costs
18 without the ILEC providing a detailed and itemized explanation for the cost(s).

19
20 **Q: Should an ALEC be permitted to hire an ILEC certified contractor to perform
21 space preparation, racking and cabling, and power work?**

22 **A:** Yes. However, an ALEC should not be *required* to hire ILEC certified contractors.
23 Intermedia asserts that functions such as space preparation, racking and cabling, and

1 power should be performed by the ILEC. All of these types of functions are the ultimate
2 responsibility of the ILECs. ALECs should not have to assume the responsibility for
3 performing these functions.

4
5 **Q: Should ALEC vendors be allowed to install and work on their own equipment**
6 **within their collocation arrangement?**

7 **A:** Absolutely. As required by the FCC's Collocation Order, ALECs "must have access to
8 their collocated equipment 24 hours a day, seven days a week"(¶ 49). The FCC also
9 requires this access without requiring a security escort of any kind. ILECs should not be
10 allowed to require use of their own certified vendors. Presently, ALECs in Florida are
11 "forced" to hire a certified contractor from the ILEC's supplied vendor list under the
12 ILEC's terms and conditions. Such vendor lists are inadequate due to the short supply of
13 vendors who have been certified under the strict certification guidelines of the ILEC. For
14 example, in order to be certified as vendor by most ILECs, you must also be an
15 equipment vendor. This requirement alone eliminates most ALECs from the possibility
16 of becoming a vendor. As a result of these requirements, ALECs must operate under the
17 vendor's schedule and must submit a RFQ (Request for Quote) to the limited number of
18 certified vendors and are forced to pay higher rates for service due to the limited number
19 of available contractors. Intermedia asserts that this process is inadequate and
20 monopolistic and that Intermedia should be able to install and work on its own
21 equipment.

1 In addition, ILECs should not be allowed to place more stringent requirements on ALEC
2 vendors than they place on their own vendors. Any such restriction by the ILEC severely
3 limits an ALEC's ability to compete.

4
5 **Q: Has Intermedia experienced a situation where an ILEC has placed more stringent**
6 **requirements on Intermedia than itself?**

7 **A:** Yes. BellSouth required Intermedia to use the industry standard for cable size when
8 extending the ground window to its collocation arrangement. A ground window is the
9 extension of the main central office ground. However, during the work on this extension
10 Intermedia discovered that BellSouth was not following the industry standards on its own
11 ground window extensions.

12
13 **Q: How should the costs of security arrangements, site preparation, collocation space**
14 **reports, and other costs necessary to the provisioning of collocation space, be**
15 **allocated between multiple carriers?**

16 **A:** Consistent with the FCC's Collocation Order, at the very least, ILECs should allocate
17 space preparation, security measures and other collocation charges on a pro-rated basis so
18 the first collocater in a particular incumbent premises will not be responsible for the
19 entire cost of site preparation.

20
21 Further, the FCC states that this allocation recommendation will serve as a minimum
22 standard and that states should determine the proper pricing methodology to ensure that
23 ILECs properly allocate site preparation costs.

1 **Q: Can you please summarize your testimony?**

2 **A:** Yes. The Commission must require the ILECs to fully comply with the FCC's
3 Collocation Order and Rules regarding collocation. In addition, where the FCC did not
4 set specific standards for installation and provisioning intervals, the Commission must do
5 so in this proceeding. Specific installation and provisioning intervals are vital for ALECs
6 if they are to provide competitive choices for telecommunication consumers in the state
7 of Florida.

8

9 **Q: Does this conclude your testimony?**

10 **A:** Yes.

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Petition of Competitive Carriers for
Commission Action to Support Local Competition
In BellSouth Telecommunications, Inc.'s Service
Territory**)
) **DOCKET NO. 981834-TP**
)
)

**In re: Petition of ACI Corp. d/b/a Accelerated
Connections, Inc. for Generic Investigation to Ensure
That BellSouth Telecommunications, Inc.,
Sprint-Florida, Incorporated, and GTE Florida
Incorporated Comply with Obligation to Provide
Alternative Local Exchange Carriers with Flexible,
Timely, and Cost-Efficient Collocation**)
) **DOCKET NO. 990321-TP**
)
)

**REVISED REBUTTAL TESTIMONY OF
JULIA O. STROW
ON BEHALF OF
INTERMEDIA COMMUNICATIONS INC.**

Filed January 13, 2000

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NOS. 981834-TP & 990321-TP
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FILED JANUARY 13, 2000

1 1 2 1

1 Q: PLEASE STATE YOUR NAME, EMPLOYER, BUSINESS ADDRESS,
2 AND OCCUPATION.

3 A: My name is Julia O. Strow. I am employed by Intermedia Communications Inc.
4 ("Intermedia") as Assistant Vice President, Industry Policy. My business address
5 is 3625 Queen Palm Drive, Tampa, Florida 33619.

6 Q: ON WHOSE BEHALF ARE YOU TESTIFYING?

7 A: I am testifying on behalf of Intermedia.

8 Q: DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING?

9 A: Yes, I did. I filed direct testimony in this proceeding on October 28, 1999, in
10 conformity with the Commission's *Order Establishing Procedure*, dated October
11 12, 1999.

12 Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?

13 A: The purpose of my testimony today is to respond to some of the issues raised in
14 the testimony filed separately by BellSouth Telecommunications, Inc.
15 ("BellSouth") and GTE Florida Incorporated ("GTE"). I will respond to
16 BellSouth's testimony first, followed by GTE.

17

18 RESPONSE TO BELL SOUTH'S DIRECT TESTIMONY

19 Q: WITNESS JERRY D. HENDRIX ("HENDRIX") TESTIFIES THAT
20 BELL SOUTH WILL INFORM AN ALTERNATIVE LOCAL EXCHANGE
21 CARRIER ("ALEC") WITHIN FIFTEEN (15) ^{Business} ~~CALENDAR~~ DAYS OF
22 RECEIPT OF A COLLOCATION APPLICATION WHETHER ITS

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1 **APPLICATION IS ACCEPTED OR DENIED AS A RESULT OF SPACE**
2 **AVAILABILITY. DO YOU HAVE ANY COMMENT?**

3 **A:** Yes. I do not agree that it should take BellSouth fifteen (15) ^{business}~~calendar~~ days to
4 inform an ALEC that its collocation application is either denied or accepted based
5 on space availability. BellSouth should be able to provide a response to a
6 requesting ALEC within ten (10) calendar days of receipt of the application. I am
7 aware that the Commission has agreed to a fifteen-day turnaround in its recent
8 order. However, the Commission should revisit that determination in light of the
9 fact that several incumbent local exchange carriers (“ILECs”) in other
10 jurisdictions have shown that information on space availability can be provided in
11 ten calendar days. This fact alone should give rise to a rebuttable presumption
12 that such a timeframe is technically feasible. *See Deployment of Wireline*
13 *Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-
14 147, FCC 99-48, First Report and Order and Further Notice of Proposed
15 Rulemaking, ¶ 45 (rel. Mar. 31, 1999) (establishing a rebuttable presumption of
16 technical feasibility) (*Collocation Order*). In addition, at least one state
17 commission—the Texas Public Utilities Commission—has required ILECs to
18 provide competing carriers with information on space availability within ten
19 calendar days of receipt of a collocation request. If other ILECs can provide a
20 response in ten calendar days, there is no reason why BellSouth cannot do the
21 same. Indeed, the Federal Communications Commission (the “FCC”) views ten
22 calendar days as a reasonable time period within which to inform a requesting

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1 carrier whether its collocation application is accepted or denied. *See Collocation*
2 *Order*, at ¶ 54

3 **Q: WITNESS HENDRIX STATES THAT, FOR PHYSICAL COLLOCATION**
4 **REQUESTS IN FLORIDA, BELLSOUTH WILL PROVIDE AN**
5 **APPLICATION RESPONSE WITHIN 30-^{BUSINESS}~~CALENDAR~~ DAYS OF**
6 **RECEIPT OF THE COMPLETED APPLICATION AND APPLICATION**
7 **FEE. FOR VIRTUAL COLLOCATION, BELLSOUTH WILL PROVIDE**
8 **AN APPLICATION RESPONSE WITHIN 20 BUSINESS DAYS OF**
9 **RECEIPT OF COMPLETED APPLICATION AND APPLICATION FEE.**
10 **ARE THOSE TIMEFRAMES ACCEPTABLE IN YOUR OPINION?**

11 **A:** BellSouth's intervals would appear to be reasonable. I understand that many
12 ALECs would prefer to have a complete response to collocation requests within
13 ten calendar days of BellSouth's receipt of the request. Thus, to the extent
14 BellSouth can reasonably accommodate a ten-calendar-day turnaround, BellSouth
15 should be required to do so.

16 **Q: IN HIS TESTIMONY, WITNESS HENDRIX LISTS THE TYPES OF**
17 **INFORMATION THAT WOULD BE INCLUDED IN AN APPLICATION**
18 **RESPONSE. IS THE INFORMATION LISTED BY MR. HENDRIX**
19 **ADEQUATE?**

20 **A:** No. In addition to those items listed by Mr. Hendrix, BellSouth should also
21 provide a *detailed* itemization of the costs involved. ALECs need the lowest level

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1 of cost granularity in order to intelligently evaluate BellSouth's cost estimates and
2 to move forward with a firm order.

3 **Q: WITNESS HENDRIX SUGGESTS THAT THE ALEC SIMPLY SHOULD**
4 **CONTACT ITS ACCOUNT TEAM COLLOCATION COORDINATOR**
5 **("ATCC") IN THE EVENT BELLSOUTH'S INITIAL RESPONSE IS**
6 **INSUFFICIENT FOR THE ALEC TO COMPLETE A FIRM ORDER. DO**
7 **YOU AGREE WITH HIS SUGGESTION?**

8 **A:** No. While I do not impugn BellSouth's assertion that it has never omitted
9 information that was necessary for a collocation applicant to move forward with a
10 firm order, BellSouth cannot expect the ALECs to unconditionally rely on that
11 guaranty. Rather, while continuing to strive to provide complete information to
12 the ALECs, BellSouth should be held to a fixed timeframe within which it must
13 provide additional information to the ALEC in the event its initial response proves
14 insufficient. Intermedia suggests that BellSouth should be required to provide
15 additional information to the ALEC within five (5) calendar days of the ALEC's
16 request for additional information. Absent a Commission-mandated timeframe,
17 BellSouth could delay the collocation process indefinitely. To prevent BellSouth
18 from deliberately extending the 30-calendar-day timeframe for providing a
19 complete response (see above) to 35 calendar days, the Commission should insist
20 that BellSouth provide the ALECs with all the information that would be
21 necessary to complete a firm order within 30 calendar days, as discussed above.

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1 Q: DO YOU AGREE WITH WITNESS HENDRIX THAT A REQUEST FOR
2 A VIRTUAL COLLOCATION CONVERSION SHOULD BE TREATED IN
3 THE SAME MANNER BELLSOUTH TREATS A REQUEST FOR
4 PHYSICAL COLLOCATION?

5 A: No. As an initial matter, the FCC already has determined that the ALECs can
6 share the same collocation space with the ILECs, which means that there does not
7 have to be physical separation between ALEC and ILEC equipment.

8 Consequently, when an ALEC submits a request to convert a virtual collocation
9 arrangement to a *cageless* physical collocation arrangement, there should not be a
10 requirement that the equipment be relocated even if the ALEC's equipment is in
11 the same line-up as the ILEC's equipment. Accordingly, virtual-to-cageless
12 conversions should not be subject to the same application processes, fees, and
13 delays that generally accompany initial requests for physical collocation. In fact,
14 a simple notification to the ILEC (or at most, an abbreviated application) should
15 suffice to convert a virtual collocation arrangement to cageless physical
16 collocation.

17 Q: DO YOU HAVE ANY COMMENT ON WITNESS HENDRIX'S POSITION
18 ON THE APPROPRIATE RESPONSE AND IMPLEMENTATION
19 INTERVALS FOR ALEC REQUESTS FOR CHANGES TO EXISTING
20 COLLOCATION SPACE?

21 A: Yes. Mr. Hendrix states that the response interval for a request for changes to an
22 existing space should not exceed 30 calendar days; the implementation interval

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1 runs anywhere from 60 to 90 calendar days. I disagree that these timeframes are
2 reasonable. As I stated in my direct testimony, changes to an existing collocation
3 space require less work by the ILEC and, accordingly, response and
4 implementation intervals appropriately must be reduced to account for this
5 variation. I believe that the following timeframes are more realistic:

- 6 • For “minor” changes, *i.e.*, changes that would not have any material
7 impact on the central office (“CO”) infrastructure (for example, minor
8 rearrangements of equipment, introduction of an additional device, etc.),
9 there should not be any need for an application. Rather, the ALEC should
10 be allowed to perform the change, without any delay, subject only to the
11 requirement that the ALEC notify the ILEC one (1) calendar day in
12 advance of the proposed “minor” change.
- 13 • For “intermediate” or “augmentation” changes, *i.e.*, changes that would
14 have *some* but not *dramatic* impact on the CO infrastructure
15 (necessitating, for example, the addition of facilities or augmenting power
16 to the collocation space), the ALEC should be required to submit an
17 application to BellSouth and BellSouth should provide a response within
18 five (5) calendar days from the date of the application; BellSouth should
19 implement the change within 45 calendar days from the date of the
20 application.
- 21 • For “major” changes, *i.e.*, changes that require new constructions (such as,
22 for example, enlarging the existing collocation space), the ALEC should

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1 submit an application to BellSouth and BellSouth should provide a
2 response within ten (10) calendar days from the date of the application;
3 implementation should be completed within sixty (60) calendar days from
4 the date of the application.

5 **Q: WITNESS HENDRIX STATES THAT SHARED (SUBLEASED) CAGED**
6 **COLLOCATION IS ALLOWED UNLESS, AMONG OTHER THINGS,**
7 **BELLSOUTH IS PROHIBITED BY ITS LEASE FROM OFFERING THIS**
8 **ARRANGEMENT. DO YOU HAVE ANY COMMENT?**

9 **A:** Yes. I recognize that BellSouth *may* indeed have leases that might prohibit
10 BellSouth from providing “subleased” caged collocation. However, BellSouth
11 has not adduced any evidence, to my knowledge, demonstrating the number and
12 locations, if any, of COs subject to the purported restriction. Consequently, there
13 should be a presumption that none of BellSouth’s COs have collocation
14 “subleasing” restrictions at this time. In addition, even if there are any such
15 restrictions, BellSouth should be required to renegotiate its lease arrangements in
16 order to effectuate to the greatest extent the federal requirement of collocation
17 “subleasing.” Likewise, in order to prevent BellSouth from denying requests for
18 “subleased” caged collocations under the guise of lease restrictions, the
19 Commission should require that any prospective lease arrangements entered into
20 by BellSouth should allow for collocation subleasing consistent with the federal
21 law. Failure to do so would enable BellSouth to trump an important, pro-
22 competitive federal requirement.

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1 Q: WITNESS HENDRIX SUBMITS THAT BELLSOUTH WILL PROVISION
2 BOTH CAGED AND CAGELESS COLLOCATION ARRANGEMENTS
3 BETWEEN 90 AND 130 BUSINESS DAYS? ARE THESE INTERVALS
4 REASONABLE?

5 A: No. I believe that these provisioning intervals are simply too long, particularly as
6 applied to cageless collocation arrangements. BellSouth should be able to
7 provision cageless collocation within 60 calendar days from the date of the
8 collocation application. Caged collocation should be provisioned within 90
9 calendar days from the date of the collocation application.

10 Q: ACCORDING TO WITNESS HENDRIX, BELLSOUTH WILL PROVIDE
11 A PRICE ESTIMATE TO AN ALEC, PRIOR TO RECEIVING A FIRM
12 ORDER, WITHIN 30 BUSINESS DAYS FROM RECEIPT OF A
13 COLLOCATION APPLICATION. IS THIS ACCEPTABLE?

14 A: No. As I stated previously, BellSouth should be required to provide a complete
15 response to a collocation request within 30 calendar days from the date the
16 collocation application was filed. This response should include detailed cost
17 estimates sufficient to enable the requesting ALEC to complete a firm order.

18 Q: WITNESS HENDRIX STATES THAT ALLOWING ONE ALEC (AS
19 OPPOSED TO BELLSOUTH) TO PERFORM ALL SITE READINESS
20 WORK FOR COLLOCATION IS IMPRACTICABLE. DO YOU AGREE?

21 A: I agree that selecting one ALEC (as opposed to BellSouth) to perform site
22 readiness work on behalf of the collocating ALECs might prove to be inefficient.

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1 However, this should remain an option. In other words, the ALECs should be
2 permitted, at their discretion, to elect one ALEC to perform all work common to
3 all collocators.

4 **Q: ACCORDING TO WITNESS HENDRIX, WHEN ADDITIONAL**
5 **COLLOCATION SPACE BECOMES AVAILABLE , BELLSOUTH WILL**
6 **NOTIFY ALECs ON THE WAITING LIST THAT CAN BE**
7 **ACCOMMODATED IN THE NEWLY AVAILABLE SPACE BASED ON**
8 **SQUARE FOOTAGE PREVIOUSLY REQUESTED. DO YOU HAVE ANY**
9 **COMMENT.**

10 **A:** Yes. It is unclear from Mr. Hendrix's statement whether BellSouth will notify
11 only those ALECs on the waiting list whose initial requests match the amount of
12 newly available space. If this is the case, I believe the procedure is defective and
13 discriminatory. As I stated in my direct testimony, priority should be given to the
14 ALECs based on the dates on which the ALECs submitted their collocation
15 requests. In other words, when additional space becomes available, *all* the
16 ALECs on the waiting list should be notified immediately. The ALEC with the
17 oldest request will then have the "right of first refusal" regardless of the amount
18 of space it originally requested. For example, if there were 100 square feet of
19 space available, and the first ALEC on the waiting list initially requested 200
20 square feet, that ALEC should be notified of the newly available space and
21 permitted to either (a) reject the offer in its entirety, (b) choose to utilize the
22 newly available 100 square feet and remain on the waiting list for an additional

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1 100 square feet, or (c) choose to utilize the newly available square feet and be
2 deleted from the waiting list for any additional space. If the ALEC rejects the
3 offer in its entirety, the space will be offered to the ALEC with the next oldest
4 request, and so on until everyone on the waiting list has had an opportunity to
5 reject or accept the offer.

6 **Q: WITNESS W. KEITH MILNER (“MILNER”) REFERS TO A TEN-DAY**
7 **“WINDOW” WITHIN WHICH BELL SOUTH WILL PROVIDE A TOUR**
8 **OF THE CENTRAL OFFICE IN THE EVENT AN ALEC IS DENIED**
9 **SPACE FOR PHYSICAL COLLOCATION. CAN YOU COMMENT ON**
10 **THIS?**

11 **A:** Yes. Mr. Milner appears to suggest that an ALEC who has been denied physical
12 collocation space loses the opportunity to tour BellSouth’s premises once the ten-
13 day window expires. I do not believe that that is a reasonable interpretation of the
14 FCC’s rules. More specifically, the ten-day window requirement is for the
15 protection of the ALECs. In other words, if the ALEC requests a tour of the
16 facility within the ten-day window, the ILEC is obligated to allow the ALEC to
17 tour the facilities within ten days of the denial of space. However, nothing in the
18 FCC’s rules precludes an ALEC from requesting a tour date beyond the ten-day
19 window or, for that matter, from requesting a tour after the ten-day window has
20 ended. Any other interpretation would punish those ALECs who may not have
21 the flexibility of immediately rearranging their schedules to accommodate a tour.
22 I recognize that, for purposes of planning, there must be a point at which a request

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1 for a tour of the facilities can no longer be entertained. To accommodate the
2 needs of both BellSouth and the ALECs, the Commission should impose the
3 following requirements:

- 4 • If an ALEC requests a tour of the facilities within ten calendar days of the
5 denial of space, BellSouth must allow the ALEC to tour the facilities
6 within ten calendar days of the denial of space.
- 7 • If an ALEC either (a) requests a tour of the facilities after ten calendar
8 days of the denial of space, or (b) requests a tour of the facilities within ten
9 calendar days of the denial of space but requests a tour date beyond the
10 end of the ten-calendar-day window, BellSouth's obligation to provide a
11 tour will end 30 calendar days after the date of the denial of space.
12 BellSouth, however, should be required to accommodate the ALEC's
13 request, to the greatest extent possible, prior to the end of the 30-calendar-
14 day window.

15 **Q: DO YOU HAVE ANY OPINION ON BELLSOUTH'S POLICY WITH**
16 **RESPECT TO THE REMOVAL OF OBSOLETE AND/OR UNUSED**
17 **EQUIPMENT, AS EXPLAINED BY WITNESS MILNER?**

18 **A:** Yes. Mr. Milner appears to suggest that BellSouth will not remove "retired"
19 equipment in cases where the cost of removal is too high (*i.e.*, retired in place). I
20 do not agree that BellSouth is allowed to do that. The FCC previously has
21 concluded that

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1 in order to increase the amount of space available for collocation,
2 incumbent LECs must remove obsolete unused equipment from their
3 premises upon reasonable request by a competitor or upon the order of a
4 state commission. There is no legitimate reason for an incumbent LEC to
5 utilize space for obsolete or retired equipment that the incumbent LEC is
6 no longer using when such space could be used by competitors for
7 collocation.
8

9 *Collocation Order*, at ¶ 60. Nothing in the FCC's order can be read to permit
10 BellSouth to retain retired equipment on the basis that is too costly to remove it.
11 The order is very clear: BellSouth must remove obsolete or retired equipment
12 from its premises in order to permit competing carriers to utilize the space.
13 Equally important, BellSouth should not be allowed to recover the costs of
14 equipment removal from the collocating ALECs.

15 **Q: WITNESS MILNER ASSERTS THAT IT IS NOT ADVISABLE TO**
16 **ESTABLISH GENERIC PARAMETERS FOR THE USE OF**
17 **ADMINISTRATIVE SPACE BY AN ILEC, WHEN THE ILEC**
18 **MAINTAINS THAT THERE IS INSUFFICIENT SPACE FOR PHYSICAL**
19 **COLLOCATION. DO YOU CONCUR?**

20 **A:** No. *Generic* parameters can be established based on whether the use of
21 administrative space is simply unnecessary. In many cases, this is just a matter of
22 plain common sense. For example, it is clearly unnecessary to have a "meeting
23 room" in the CO. I am not aware of any building code or lease provision that
24 would require BellSouth to maintain a "meeting room" in its premises. Likewise,
25 I disagree with Mr. Milner that anything that constitutes "productive use of floor
26 space" necessarily entitles BellSouth to occupy the space that could otherwise be

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1 used by competing carriers. For instance, using the space for preparing invoices
2 is “productive use of floor space,” but the preparation of invoices does not have to
3 be performed in the premises where collocation space is critical. In other words,
4 if the activity can be performed as effectively using another facility, there is
5 simply no reason why BellSouth should not surrender that space.

6 **Q: DO YOU HAVE ANY COMMENT ON WITNESS MILNER’S**
7 **TESTIMONY CONCERNING PROVISIONING INTERVALS?**

8 **A:** Yes. Mr. Milner would have the Commission affirm that its provisioning
9 intervals for virtual and physical collocations should exclude the time spent
10 obtaining permits, among other things. I disagree that BellSouth’s already
11 lengthy intervals should be stretched further. Rather, as I stated previously,
12 cageless collocation should be provisioned within 60 calendar days from the date
13 of the collocation application, while caged collocation should be provisioned
14 within 90 calendar days from the date of the collocation application. In the event
15 BellSouth requires an extension due to unforeseen circumstances—and
16 Intermedia does not dispute that there may well be instances in which an
17 extension may well be appropriate—BellSouth should be required to file an
18 application for an extension with the Commission. Under no circumstances
19 should BellSouth be allowed unilaterally to extend the provisioning intervals.
20 Rather, the Commission should impose on BellSouth the burden of demonstrating
21 to the requesting ALEC and to the Commission that an extension is appropriate.
22 In order to give the requesting ALEC as much advance notice as possible, the

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1 Commission should require BellSouth to file its application for an extension at
2 least thirty (30) calendar days prior to the end of the provisioning interval.

3 **RESPONSE TO GTE'S DIRECT TESTIMONY**

4 **Q: GTE WITNESS JOHN W. RIES ("RIES") STATES THAT AN ALEC**
5 **THAT DESIRES TO CONVERT ITS EXISTING VIRTUAL**
6 **COLLOCATION SPACE TO PHYSICAL COLLOCATION MUST**
7 **FOLLOW THE STANDARD PROCESS FOR A NEW PHYSICAL**
8 **COLLOCATION REQUEST. DO YOU AGREE?**

9 **A:** No. As I stated previously in response to a similar argument from BellSouth
10 witness Hendrix, I do not believe that converting a virtual collocation
11 arrangement to *cageless* physical collocation necessarily requires a major
12 undertaking. In particular, in light of the FCC's rules permitting the commingling
13 of ALEC and ILEC equipment, there is simply no reason to move virtually
14 collocated equipment to a different space. Consequently, the conversion should
15 be relatively painless.

16 **Q: WITNESS RIES TESTIFIES THAT GTE WILL INFORM THE ALEC**
17 **WITHIN 15 CALENDAR DAYS WHETHER SPACE IS AVAILABLE,**
18 **AND IT WILL PROVIDE A PRICE QUOTE WITHIN 30 CALENDAR**
19 **DAYS. ARE THESE INTERVALS REASONABLE?**

20 **A:** Although the 30-calendar-day interval is reasonable, the 15-calendar-day interval
21 is not. GTE should be required to provide an initial response to the ALEC within
22 10 calendar days of the request. GTE should then submit a complete response

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1 (i.e., containing detailed information, including but not limited to, cost estimates,
2 target dates, etc.) to the ALEC within 30 calendar days of the request. This
3 response also should be as complete as possible to enable the ALEC to move
4 forward with a firm order if it so chooses.

5 **Q: WITNESS RIES ARGUES THAT NO ALTERNATIVE PROCEDURE IS**
6 **REQUIRED IN THE EVENT GTE'S RESPONSE TO A COLLOCATION**
7 **REQUEST IS INSUFFICIENT TO COMPLETE A FIRM ORDER. DO**
8 **YOU AGREE?**

9 **A:** No. As I explained above, there can be no guaranty that the ILECs will always
10 provide complete information to the ALECs. Errors and omissions do occur and,
11 consequently, there must be a mechanism to address that eventuality. Intermedia
12 suggests that GTE should be required to provide additional or corrected
13 information to the requesting ALEC within five calendar days of the ALEC's
14 request for additional or corrected information. In no event should GTE be
15 permitted to circumvent the 30-calendar-day response time by deliberately
16 providing incomplete information to the ALECs.

17 **Q: DO YOU AGREE WITH WITNESS RIES THAT THE PARTIES SHOULD**
18 **BE ALLOWED TO NEGOTIATE AN ENLARGEMENT OF THE**
19 **PROVISIONING INTERVAL?**

20 **A:** No. While negotiations may work in other context, negotiations may not be
21 equally effective in this case. As the requesting party, the ALECs have no
22 bargaining power and, consequently, may easily fall prey to ILEC abuses. To

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1 preempt GTE's improper use of its bargaining power, the Commission should
2 require GTE to file an application for an extension with the Commission in the
3 event an extension is necessary. As I explained in response to BellSouth witness
4 Milner's testimony, this application should be filed 30 calendar days prior to the
5 end of the provisioning interval in order to give the ALECs as much notice as
6 possible. To ensure that the issues are resolved without undue delay to the
7 detriment of the ALECs, the Commission should establish an expedited legal
8 process pursuant to which the Commission will deny or approve the application
9 for an extension within five calendar days of filing.

10 **Q: WITNESS RIES INDICATES THAT GTE WILL CHARGE ALECs FOR**
11 **THE FLOOR SPACE THEY RESERVE. IS THIS APPROPRIATE?**

12 **A:** No. GTE's proposal will allow GTE to extract gratuitous fees from collocators.
13 GTE's position is fundamentally flawed because it is premised on the assumption
14 that GTE is foregoing other opportunities by allowing an ALEC to reserve the
15 space. That is not necessarily the case.

16 **Q: WITNESS RIES FURTHER STATES THAT, AS A CONDITION OF**
17 **SPACE RESERVATION, ALECs SHOULD BE REQUIRED TO INSTALL**
18 **THEIR CAGE OR BAY AT THE TIME OF RESERVATION. DO YOU**
19 **AGREE?**

20 **A:** No. This would be putting the cart before the horse. ALECs typically base their
21 decision to reserve collocation space on, among other things, anticipated demand,
22 potential expansion, traffic patterns, and the like. This analysis is not, however,

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1 an exact science. Requiring the ALECs to expend scarce resources on
2 requirements that potentially could change is unnecessarily costly and wasteful.

3 **Q: DO YOU AGREE WITH GTE'S POSITION THAT GENERIC**
4 **PARAMETERS NEED NOT BE ESTABLISHED FOR THE USE OF**
5 **ADMINISTRATIVE SPACE?**

6 **A:** No. As I explained in my response to BellSouth's testimony, *generic* parameters
7 can, and should be, established.

8 **Q: WITNESS RIES SUGGESTS THAT THERE IS NO NEED TO PROVIDE**
9 **DETAILED COST INFORMATION TO AN ILEC PRIOR TO**
10 **RECEIVING A FIRM ORDER FROM THAT ILEC. DO YOU HAVE ANY**
11 **COMMENT?**

12 **A:** Yes. I reiterate that the ILECs must provide detailed cost estimates in order to
13 allow the ALECs to intelligently decide whether to proceed with a firm order. I
14 realize that, in some instances a number of the elements may well be tariffed, as
15 Mr. Reiss suggests. However, the ALECs should not be expected to maintain and
16 process volumes upon volumes of documents in order to determine the applicable
17 collocation costs, when the ILECs have them readily available.

18 **Q: DO YOU AGREE WITH WITNESS RIES THAT AN ALEC SHOULD NOT**
19 **BE PERMITTED TO HIRE AN ILEC-CERTIFIED CONTRACTOR TO**
20 **PERFORM SPACE PREPARATION, RACKING AND CABLING, AND**
21 **POWER WORK?**

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1 A: No. In fact, according to its testimony, BellSouth allows ALECs to do so subject
2 to certain limitations. There is no reason why GTE should be any different. To
3 the extent other ILECs, including BellSouth, allow ALECs to use ILEC-certified
4 vendors for space preparation, the presumption of technical feasibility should
5 apply here. In addition, rule 51.323(j) of the FCC's rules specifically provides
6 that "[a]n incumbent LEC shall permit a collocating telecommunications carrier to
7 subcontract the construction of physical collocation arrangements with contractors
8 approved by the incumbent LEC, provided, however, that the incumbent LEC
9 shall not unreasonably withhold approval of contractors. . . ." Thus, federal law
10 requires GTE to permit ILEC-certified vendors to perform space preparation on
11 behalf of ALECs.

12 Q: **DO YOU HAVE ANY COMMENT ON GTE'S "FILL FACTOR"?**

13 A: Yes. According to Mr. Ries, GTE employs a statewide average number of
14 collocators (fill factor) in developing the price each collocator will pay in a given
15 central office. In other words, the costs are averaged across the state. Although I
16 do not claim to be an economist, this methodology would appear to violate the
17 FCC's mandate that the costs be allocated to collocators on a *pro rata* basis. In
18 other words, collocators in one central office could end up paying more than their
19 fair share of collocation costs because the costs are spread across all collocators as
20 opposed to being divided amongst the collocators in a particular CO.

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1 Q: CAN YOU COMMENT ON GTE'S "FIRST-COME, FIRST-SERVED"
2 APPROACH TO MAKING ADDITIONAL SPACE AVAILABLE TO
3 POTENTIAL COLLOCATORS?

4 A: Yes. Mr. Reiss states that, in the event additional space becomes available in a
5 CO, the ALEC who submits a check for 50% of the NRCs associated with the
6 collocation request gets priority. This approach is fundamentally unsound. As an
7 initial matter, GTE should be required to maintain a waiting list of collocators.
8 When additional space becomes available, GTE should immediately inform the
9 collocators on the waiting list of the newly available space. Priority should be
10 given to the collocator with the oldest collocation request, followed by the next
11 oldest, and so on. Priority should not be decided based on who gets to the bank
12 first.

13 Q: PLEASE SUMMARIZE YOUR TESTIMONY.

14 A: This Commission is charged with the critical task of furthering Congress' goal of
15 opening all telecommunications markets to competition. For many competitive
16 carriers, participation in this market-opening initiative means being able to
17 interconnect and collocate with the ILECs. Collocation, however, is expensive
18 and subject to delays. Moreover, collocation space is not inexhaustible. These
19 concerns are further complicated by the fact that the ILECs have the motivation to
20 delay the entry of competing carriers into the monopoly local markets.
21 Consequently, the Commission must establish a procompetitive regulatory
22 framework that maximizes the ability of the ALECs to collocate without undue

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1 delay, and minimizes the ability of the ILECs to act anticompetitively. More
2 specifically, the Commission should carefully craft rules that would allow the
3 ALECs to obtain collocation with the least expense and in the shortest time
4 possible, while ensuring that valuable collocation space is put to productive use.

5 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

6 **A:** Yes. I reserve the right, however, to amend, supplement, or modify my
7 testimony, as appropriate.

8 **END OF TESTIMONY**

1 Q (By Mr. Sapperstein) Have you prepared a
2 summary for the Commissioners today?

3 A Yes, I have. Thank you. Good morning,
4 Commissioners and thank you for allowing us to be
5 here.

6 Incumbent local exchange companies have an
7 obligation to meet all aspects of the FCC's order on
8 collocation. The FCC was very specific in their
9 desire to foster local exchange competition by
10 removing road blocks and hardships that ALECs face
11 when attempting collocation with incumbent local
12 exchange companies.

13 Specifically, concerning the issues
14 addressed in the order, Intermedia believes that the
15 ILECs are required to provide off premises or adjacent
16 collocation when space is legitimately exhausted.
17 Incumbent companies should be required to convert any
18 virtual collocation to a physical cageless
19 arrangement. This conversion should be done without
20 any reconfiguration or moving of the ALEC's equipment
21 and this conversion should be done at no charge to the
22 ALEC.

23 The appropriate intervals for the
24 provisioning of new collocation or changes to existing
25 collocation are crucial to ALECs. Time to market is a

1 key for us and a key factor in our success. As such,
2 the intervals should be as follows:

3 For response times, the incumbent LECs
4 should respond to changes to existing collocation
5 arrangements in five calendar days.

6 For changes to existing collocation
7 arrangements that require additional space, the ILECs
8 should be held to the ten day interval as discussed in
9 the FCC order.

10 Concerning the implementation intervals, we
11 are recommending three different implementation
12 intervals for changes to existing collocation spaces.
13 Changes that require no ILEC work should allow the
14 ALEC to begin work as soon as the application is
15 accepted.

16 Changes that require the incumbent LEC to do
17 work should be completed by the incumbent LEC within
18 45 calendar days of the application.

19 Changes that require additional collocation
20 space should be completed by the ILEC in 60 calendar
21 days from the date of the application.

22 For cageless physical collocation,
23 Intermedia requests this Commission to prescribe a 10
24 calendar day response interval. Assuming space is
25 available, the provisioning intervals should be no

1 more than 50 calendar days.

2 When a collocator shares space with another
3 ALEC, the ALECs are responsible for setting terms and
4 conditions of the shared space. The ILEC cannot
5 increase the cost of site preparation beyond what is
6 charged to a single collocator. Each collocator must
7 be permitted by the ILEC to order UNEs and to
8 provision service from the shared space. ALECs must
9 be allowed to cross connect with other collocators and
10 must be allowed to construct their own cross-connect
11 facilities.

12 Priority should be given to the ALEC for
13 collocation space on a first-come, first-served basis.
14 If the space is available -- if the space that is
15 available is less than the space required by the ALEC,
16 the ALEC should not be required to reapply. Rather
17 the original application should suffice.

18 Concerning the types of equipment that ALECs
19 may place in their collocation space the FCC was
20 clear. The ILECs can no longer prohibit the types of
21 equipment collocated by ALECs as long as it is used
22 for interconnection or access to UNEs.

23 When an ILEC has space available it should
24 provide a detailed price quote when providing a firm
25 order for space in central offices. ALEC vendors must

1 have access to collocated equipment on a 24 by 7 basis
2 without escort. ALECs should be able to use their own
3 vendors, not just the limited number of vendors
4 certified by the ILEC.

5 In conclusion, this Commission must require
6 ILECs to fully comply with the FCC's order. The
7 Commission should set specific standards for
8 installation intervals which are vital if we are to
9 provide Florida consumers and businesses with
10 competitive telecommunication choices. That concludes
11 the summary.

12 **MR. SAPPERSTEIN:** I tender the witness for
13 cross-examination.

14 **CROSS-EXAMINATION**

15 **BY MR. EDENFIELD:**

16 **Q** Good morning, Mr. Jackson. My name is Kip
17 Edenfield. I'm here for BellSouth this morning.

18 **A** Good morning.

19 **Q** Last time I saw you was in Alabama. You
20 were with ICG. How long have you been with
21 Intermedia?

22 **A** I've been with Intermedia for the past six
23 months. I was with Intermedia previously in 1996 and
24 1997 as director of local exchange services.

25 **Q** How long have you held this position of

1 senior director of policy, if I understood that
2 correctly?

3 A Since August of 1999.

4 Q And how long have you been the collocation
5 witness for Intermedia?

6 A Since last Friday.

7 Q That's what I thought. That was with the
8 unfortunate departure of Mrs. Strow?

9 A We're going to miss her.

10 Q I'm going to take you through this. I'm
11 going to try to go through this fairly quickly because
12 I think a lot of these issues we have discussed and
13 covered with others.

14 Looking at your testimony and talking about
15 the 10 day initial response interval, you have adopted
16 a position that says that the FCC order requires an
17 initial response in 10 days. Do you agree that the
18 FCC has only indicated that it is not unreasonable for
19 10 days instead of making it a requirement?

20 A The FCC suggested that 10 days appeared to
21 be an appropriate interval in their order and, as
22 such, I believe they highlighted it because they
23 believe that's an appropriate interval.

24 Q You'll agree that it's not a requirement of
25 that order?

1 A I don't believe the wording said that it was
2 required, so I believe it's suggested.

3 Q Now, you had made a global change, as I
4 understand it, moving business days to calendar days?

5 A That's correct.

6 Q Okay. Is that because there was an initial
7 mistake? In other words, was it Intermedia's
8 intention to make it business days from the outset
9 but -- calendar days from the outset but put business,
10 or is this a new position that Intermedia has taken?

11 **MR. SAPPERSTEIN:** I'm going to object to the
12 question as there is no objection yesterday when we
13 offered to file the revised testimony. That is the
14 testimony that is now inserted into the record. That
15 is the record testimony as if those questions were
16 asked today and I don't believe it's appropriate then
17 to have cross-examination on what is not part of the
18 record.

19 **MR. EDENFIELD:** I'm not sure I follow that.
20 Part of his testimony says Intermedia recommends that
21 the Commission order all intervals in this proceeding
22 to be what's gone from business to calendar days since
23 this has been the standard industry practice. I think
24 I'm entitled to ask him why the industry practice may
25 have changed from business to calendar and whether it

1 was truly a mistake in the outset or whether this is
2 actually a change in a position that they had
3 previously filed. I didn't object to him changing it,
4 but I certainly get to ask him that.

5 **COMMISSIONER DEASON:** I'll overrule the
6 objection and allow the question.

7 **WITNESS JACKSON:** Obviously having adopted
8 the testimony recently, I don't have all of the
9 background of what previously occurred, but it's my
10 understanding, the initial look at it, if business
11 days and calendar days was probably confusing and it
12 was a clarification on our part and I think it's
13 particularly important as you go out long term.

14 The difference between 90 business days and
15 90 calendar days is substantial. The difference
16 between two business days and two calendar days isn't
17 necessarily substantial. And in talking with our
18 folks, our collocation experts within our business, we
19 felt that at the point that I particularly became
20 involved with this, that the calendar days was
21 appropriate and also believed that the FCC addresses
22 it in days which by default is calendar days.

23 **Q (By Mr. Edenfield)** Okay. So this was
24 somewhat of a change in position on second look?

25 **A** Yes. And, again, I don't have all the

1 background. I'm sorry.

2 Q Let's talk about the conversion of virtual
3 collocation to physical collocation. Is it
4 Intermedia's position that a cageless physical
5 collocation arrangement is more akin to virtual or
6 caged physical?

7 A Not being an engineer I have a general
8 understanding of the difference between virtual and
9 cageless and caged. So from that standpoint, let me
10 say that virtual and cageless both don't have walls
11 surrounding the equipment. Caged would. And that
12 would be the distinction that I would make as a
13 layperson, as a business manager.

14 Q So you would agree then that truly the only
15 real difference between a caged physical collocation
16 arrangement and a cageless physical collocation
17 arrangement is the lack of a cage?

18 A Yes, or supporting walls or structure that
19 is opted to surround that. It could be, you know,
20 sheet rock and studs or I don't know, an actual caged
21 chain link fence. I don't know.

22 Q Is it Intermedia's position that the not
23 having to construct a cage reduces the interval by 30
24 days from a caged to a cageless?

25 A I think that not having to bring contractors

1 in to place walls or place a cage or to do whatever is
2 necessary from whatever perspective would -- not
3 having to do that would substantially reduce the time,
4 so yes.

5 Q Do you know whether or not in the
6 construction of a caged collocation arrangement that
7 the actual construction of the cage is done
8 contemporaneous with other activities?

9 A I don't know.

10 Q In the direct testimony on Page 10 you talk
11 about the minimal amount of space per ILEC growth and
12 ALEC collocation should be available at each central
13 office, and that if the space falls below the
14 threshold the ILEC should have to begin to create
15 plans for expansion. You have not taken the position,
16 have you, that the Act or FCC rules require BellSouth
17 to construct or lease additional space in the event of
18 an exhaust, are you?

19 A No. As a matter of fact, in hearing some of
20 the discussion we've had today and throughout the last
21 couple of days, it seems reasonable that as
22 BellSouth's customer, and I'm constantly told I'm a
23 valued customer, I'm a large wholesale customer, it
24 seems to me that there should be some guidelines to
25 insure that I have access to collocation space

1 wherever possible. What we suggest here are some
2 guidelines. We're not necessarily married to the
3 specifics of the guidelines but we do want some sort
4 of minimum availability to help ensure that there is
5 space for your continued growth in your central
6 offices as well as our continued growth.

7 Q Are you advocating a tariff in this
8 proceeding?

9 A If we had an appropriate tariff,
10 Mr. Edenfield, that was priced right, where there was
11 proper input from the parties, then yes, I think a
12 tariff would work. I'm a very large CLEC nationally
13 and in those cases where I can buy out of the tariff
14 as a company, we do so. We're still -- I'm sure like
15 BellSouth has said, you're limited on your resources.
16 We are too. We prefer, if the right options are
17 available, to buy it straight out of the tariff. Our
18 planners can plan from that perspective. They know
19 the hard time intervals and the pricing structure
20 wherever possible, so I think a good tariff would be
21 an option that we would utilize.

22 Q You would use it if there was a tariff?

23 A From a general perspective, yes. I would
24 not say that there wouldn't be times when you couldn't
25 negotiate issues and I don't think you could preclude

1 that, but I think as a business rule, we certainly
2 have in other jurisdictions and I think we would be
3 willing to do so whenever possible with the right
4 tariff here.

5 Q Would you agree that you should be given the
6 option of either accepting the tariff and the terms
7 that exist there or negotiating one or the other?

8 A I think there is -- I think there's always
9 an opportunity to negotiate if there is something
10 nonstandard or something that's a little bit
11 different. I think in most cases what we require is
12 fairly standard, and therefore, we would prefer to use
13 a tariff most of those times. I don't think you can
14 preclude -- if you had a tariff you couldn't preclude
15 the opportunity for negotiations. I think from a good
16 business practice standpoint with the right tariffs we
17 would prefer to work right out of the tariff.

18 Q You can probably understand BellSouth, what
19 we're trying to avoid is the situation where
20 Intermedia may come in and say, this particular
21 element is below the cost so we'll take this one.
22 This particular element may be priced above the cost,
23 we don't want that one, we'd rather negotiate. What
24 would your response be do that situation?

25 A Quite honestly, and of course, I spent 18

1 years at BellSouth and I'm familiar with your
2 perspective pretty well. In the last four years in
3 the competitive industry I know that side.

4 I would tell you that most of the time,
5 particularly in the CLEC, even a large one such as
6 ours, we don't have time to go out and do a lot of
7 that type of assessment. It would be easier for us to
8 work off of a good properly priced tariff and I think
9 we would do that most of the time unless there was
10 some anomaly there that I don't anticipate right now.

11 Q Okay. Also on Page 10 of your testimony
12 Intermedia has taken a position that says when space
13 falls below the amount necessary for two collocators
14 the ILEC should first be required to give up the space
15 it has reserved for growth. Is it your position that
16 there should always be enough space in a central
17 office or BellSouth building that has network
18 facilities to accommodate two ALECs?

19 A Yes, that's what we've said. But I would
20 tell you that we use that as a suggested guideline. I
21 think the important point here is that there is some
22 sort of guideline to ensure that there is, in most
23 cases, an availability for us to collocate within a
24 reasonable period of time. We understand that there
25 are times when demand is missed and forecasts are off,

1 but we feel like that there should be some sort of
2 minimum to ensure that there is growth available to
3 allow us to get in there in accordance with our
4 business plan.

5 Q So you're not suggesting in those situations
6 where there is maybe a smaller central office and
7 there's only 500 square feet available and there's no
8 collocator in there, if we get an application for the
9 500 square feet, that we should have to deny that
10 because that would only result in one collocator?

11 A No. I think we'd want to be reasonable
12 about it. I think you've got some -- you have some
13 business issues you would address and we would as
14 well. We're looking for some reasonable ability in
15 most cases to be able to collocate. I think your
16 demand forecast probably internally will tell you a
17 good idea as to where most of those would be from our
18 perspective as a large wholesale customer. So we're
19 suggesting some guidelines here and we'd be glad to
20 look at any guidelines that would be reasonable.

21 Q Do you agree, Mr. Jackson, that Intermedia
22 or any of the other ALECs would only be entitled to
23 adjacent collocation in situations where there is
24 legitimate exhaust?

25 A I would tell you -- I want to answer your

1 question properly. I would tell you in most cases our
2 business plan calls for us to collocate inside the
3 central office. In most cases I don't think I
4 would -- I, as a business, would want to necessarily
5 collocate outside that. That would probably be a
6 secondary option, but I'm not an engineer so I'm not
7 exactly sure what would dictate that.

8 Q Is there any requirement of the Act, of the
9 FCC rules or FCC orders that would require BellSouth
10 to give adjacent collocation to an ALEC outside of an
11 exhaust situation?

12 A I've read recently a lot of definitions in
13 the UNE remand order of what adjacent space or, you
14 know, what a premise is defined as and what not, but I
15 don't offhand -- I really can't tell you. I don't
16 know the answer to that question specifically.

17 Q Okay. Just let me look through my notes
18 real quick. I may be done.

19 MR. EDENFIELD: I've got nothing further.
20 Thank you, Mr. Jackson.

21 CROSS-EXAMINATION

22 BY MS. CASWELL:

23 Q Good morning, Mr. Jackson. Kim Caswell with
24 GTE.

25 A Good morning.

1 Q I have a couple of follow-up questions on
2 your suggested guideline of having space for two
3 collocators at all times. Would that mean that the
4 ILEC would be obliged to create space when it falls
5 below space for two collocators?

6 A Based on our guidelines, that would. The
7 intent of what we suggested is that there be a
8 reasonable approach to providing space. If you've got
9 a central office that has a high demand for space by
10 wholesale or collocators such as ourselves, then we
11 would want you to work with us to ensure that within a
12 reasonable period of time there is space available in
13 most instances. So, guidelines, again, are suggested
14 to get at that.

15 Q Who would pay for that space if no
16 collocator ever takes it?

17 A I would contend that at some point you'll
18 have collocators probably in most all of your offices
19 because of the way competition is growing. And it's
20 hard to predict the future, but I would say that if
21 you do that in a reasoned way and have it available
22 then you'll probably use the space if it's forecasted
23 properly.

24 Q And if no one ever uses the space the ILEC
25 will pay for it, correct?

1 **A** Yes.

2 **Q** I'm going to read from an interrogatory
3 response. It's Exhibit 4. And this was a Staff
4 interrogatory. I think it was Question 3.

5 Says, "the determination of how much space
6 if any should be reserved for future use is not an
7 exact science. In other words, business requirements
8 do change inasmuch as consumer demand is fickle.
9 Intermedia does not believe that it should be required
10 to expend scarce resources on anticipated requirements
11 that could change." Do you see that?

12 **A** Yes. Can I take just a second to read that?

13 **Q** Uh-huh. Sure.

14 **A** Yes. I've read that. Thank you.

15 **Q** Wouldn't your suggested guideline of having
16 space available at all times, wouldn't that expect the
17 ILECs to expend scarce resources on anticipated
18 requirements?

19 **A** Yes, it would, but it's a little bit
20 different audience that you're addressing in that
21 context than perhaps the retail marketplace. The
22 ILECs are dealing with a very relatively small number
23 of facility based ALECs, and as such, with the right
24 relationships working back and forth with forecasts
25 being given and what not, I think we could pretty well

1 as an industry resolve that issue. It's not like
2 you're mass marketing to thousands and thousands of
3 different customers that you really might not
4 understand always.

5 Q But doesn't -- your demand for collocation
6 in turn depend on the demand for your retail services?
7 So aren't we talking about the same demand here?

8 A In Intermedia's case we provide service to
9 business customers not mass market customers. So we
10 have a pretty good handle on where those customers
11 are, where they're located and how we want to serve
12 them. But yes, it is dependent on that.

13 Q Okay. I think you recommended a
14 provisioning period of 60 days for augmentation
15 requests that require additional space; is that right?

16 A From the date of the application, yes.

17 Q Is there anything inherently different about
18 an augment requiring new space than an original
19 request where the LEC would be given 90 days to
20 provision that?

21 A Can you give me the reference for your 90
22 days?

23 Q Well, this Commission has a 90 day
24 provisioning guideline for caged collocation and I'm
25 wondering if there is anything inherently different

1 about an augment that requires additional space than
2 for a caged arrangement?

3 **A** On the surface, as a nonengineer, probably
4 very little, but I think that's the whole purpose of
5 our hearing here is to take a look at those intervals
6 and time frames and talk about and try to reason
7 what's appropriate, and we feel in that case 60 days
8 might be more appropriate than 90.

9 **Q** Do you think that the ILEC should be
10 required to convert virtual arrangements to cageless
11 arrangements at no charge in all instances?

12 **A** Yes.

13 **Q** And won't those conversions, in at least
14 some cases, require some ILEC work, and probably in
15 all cases, updates to the ILEC systems and
16 administrative work?

17 **A** My understanding that there's very little
18 work associated with it. The FCC allows a co-mingling
19 of equipment and a line up from what I understand, and
20 therefore, there should be very little work. So I
21 wouldn't anticipate there to be any cost to an ALEC
22 for that in most cases.

23 **Q** So if there is some work to do we should
24 have to do it for free, correct? You said there would
25 be very little work.

1 **A** I'm sorry. I would contend that to my
2 knowledge I'm not aware of any work that would have to
3 be associated with it, so I wouldn't expect any cost
4 from that.

5 **Q** Doesn't the ILEC have to update its systems
6 to reflect that it no longer owns that equipment, it
7 no longer maintains that equipment, things of that
8 nature?

9 **A** I assume that there would be some very minor
10 administrative costs there, but I wouldn't assume that
11 there would be anything substantial, if any.

12 **Q** And do you think that the ILEC should allow
13 anyone to do work in their central offices regardless
14 of whether they're certified by the ILEC?

15 **A** I would contend that everybody that does
16 work in there should not necessarily have to be
17 certified by the ILEC.

18 **Q** Don't you think the ILEC has some
19 responsibility to safeguard the security and integrity
20 of its network?

21 **A** Yes, I do.

22 **Q** And how is it suppose to do that if it's
23 obliged to let anyone at all do work in its central
24 offices? If there is no certification process then
25 what's the control on who comes into those offices?

1 A I would uses vendors that I certify to work
2 on my equipment and I would think my standards should
3 be similar to those as any standards in the industry,
4 so I don't think that really should be a risk.

5 Q Do you think that other ALECs may use
6 different standards than you do?

7 A I couldn't address that. I assume they
8 could, but they may not. I don't know.

9 Q Is it your position that parties should not
10 even be able to negotiate provisioning intervals that
11 exceed perhaps those that the Commission establishes?

12 A No, that's not my position. I would contend
13 that if we had a base line tariff for the most
14 frequently used type of collocations and arrangements
15 that that could cover most instances. There are a lot
16 of times, as the ILEC's customer, I'm approached by
17 the ILECs to do certain things that they don't
18 currently offer in a tariff, to sell me more at large
19 volumes, to have, you know, contract pricing
20 arrangements for issues and what not, and I believe
21 that that's something that should continue and that we
22 should have the availability to and I believe it works
23 both ways.

24 Q I think I might have asked the question the
25 wrong way. I'm actually talking about enlargements of

1 the provisioning intervals. Do you think the parties
2 should have an opportunity to negotiate an extension
3 of a provisioning period?

4 **A** In other words, enlarging it because of a
5 problem that you ran into?

6 **Q** Right. Equipment delivery, the equipment
7 doesn't come in on time or something like that.
8 Should the parties be able to negotiate a new date
9 among themselves without having to go to the
10 Commission?

11 **A** I think, as your customer, if I were GTE's
12 customer, and you came to me and said that the
13 interval has got to be pushed out for ten days because
14 I have an equipment vendor problem, it's just not
15 going to be here, I think if that's an occasional
16 occurrence, as a business person I would completely
17 understand that and work with you. I would say that
18 if every time I run into that, which, you know, would
19 be a bad situation businesswise for me, that I need
20 some sort of ability to come talk to the Commission if
21 they're the only arbiter for that. So, I think in
22 most cases we could work it out if it's an occasional
23 occurrence.

24 **MS. CASWELL:** Okay. Thank you. That's all
25 that I have.

1 **MS. MASTERTON:** Sprint has no questions.

2 **COMMISSIONER DEASON:** Staff.

3 **MS. KEATING:** Staff has no questions.

4 **COMMISSIONER DEASON:** Commissioners.

5 **COMMISSIONER JACOBS:** If you impose costs --
6 first of all, under your scenario where the ILEC
7 should do the conversion from virtual to cageless at
8 no cost, I assume that you impose no cost, correct?

9 **WITNESS JACKSON:** Assuming that I'm imposing
10 a cost?

11 **COMMISSIONER JACOBS:** Right. In other
12 words, exact same equipment, no modifications, no
13 changing.

14 **WITNESS JACKSON:** Okay.

15 **COMMISSIONER JACOBS:** If there were changes
16 how would you arrive at a cost for that?

17 **WITNESS JACKSON:** Commissioner, I think
18 there are probably a couple of ways to approach that.
19 If we had a tariff offering that did a conversion, I
20 think we could identify a majority of those costs and
21 have them approved by you upfront so we would know
22 whatever costs, most of them being minor, might be.

23 If there were some very odd situation
24 occasionally, I assume that we might address that on a
25 negotiated basis if it were outside of the bounds of

1 the normal situation. But I think in most cases if we
2 had a tariff that you had oversight over, with
3 approved pricing that people had inputs into and with
4 your purview, I think we could certainly live with
5 that.

6 **COMMISSIONER JACOBS:** Okay. Thank you.

7 **COMMISSIONER DEASON:** Redirect.

8 **MR. SAPPERSTEIN:** No redirect.

9 **COMMISSIONER DEASON:** Okay. No exhibits.
10 Thank you. You may be excused.

11 **WITNESS JACKSON:** Thank you, sir.

12 **COMMISSIONER DEASON:** AT&T.

13 **MR. HATCH:** AT&T calls Ron Mills to the
14 stand.

15 **MR. GOODPASTOR:** Mr. Chairman, at this time
16 we have passed out the documents related to Composite
17 Exhibit 23 and before we go to the next witness I
18 would move for entry of that exhibit.

19 **COMMISSIONER DEASON:** Okay. Without
20 objection --

21 **MS. CASWELL:** I do think we need to discuss
22 that a little bit. I'm concerned about this exhibit
23 because it's somewhat misleading, particularly the
24 cage turnover column there in Covad Page No. 1.

25 That turnover, as I think we discussed

1 yesterday, was an anticipated date at the time of
2 application. It does not represent the actual cage
3 turnover. And I discussed this with Mr. Goodpastor
4 and he suggested that, you know, I'd have the right to
5 introduce information to show that the turnover
6 date -- the anticipated date did, in fact, change.
7 And if that's the case then I don't object to the
8 exhibit. If I have the opportunity to submit perhaps
9 an affidavit setting forth the actual caged turnover
10 then I don't have a problem with this. But I would
11 like that opportunity.

12 **MR. GOODPASTOR:** If I may respond. To
13 clarify my response to, Ms. Caswell, I said that GTE
14 had the right to introduce evidence. GTE also had the
15 right to cross-examine Covad's witness on the basis --
16 on the testimony that these documents form the basis
17 of.

18 These documents are not provided as a
19 demonstrative exhibit. These documents are produced
20 as they existed in Covad's files in response to a
21 discovery request for GTE.

22 Now, the statement of the intervals provided
23 by GTE was made by Mr. Moscaritolo in testimony that
24 was filed in October. And all of the information that
25 was provided in that testimony is in the possession of

1 GTE. So GTE had the opportunity to cross-examine
2 Mr. Moscaritolo on these documents and on his
3 statement in the testimony and chose not to do that.

4 So, at this time, I think it's inappropriate
5 for GTE's attorney to cross-examine Mr. Moscaritolo on
6 the statement of which these documents form the basis
7 and then object to introduction of the documents. So,
8 I would move to have the documents admitted over the
9 objection.

10 **MS. CASWELL:** It is incorrect that I did not
11 cross-examine Mr. Moscaritolo on this. I did and, in
12 fact, he admitted the 184 day median interval in his
13 testimony was wrong. He said it was a North Carolina
14 statement and it didn't apply to GTE Florida. And
15 then Mr. Goodpastor tried to rehabilitate him on
16 redirect and that's when this came in and this
17 reflects the date that was incorrect.

18 And as long as we all understand that, then
19 fine, the exhibit can come in, and I'm sorry if I did
20 misunderstand Mr. Goodpastor's suggestion that I could
21 introduce information saying that this was wrong.

22 **MR. GOODPASTOR:** Again, the witness
23 testified that his statement -- he made a mistake when
24 he responded to the North Carolina -- with the North
25 Carolina information. He stated that these -- this

1 information was accurate at the time of filing. He
2 also stated that the interval stated therein were
3 interval commitments made by GTE and stated that in
4 some cases the delivery of the space was much longer
5 and in some cases the delivery of space may have been
6 shorter.

7 Now, again, GTE had the opportunity to take
8 the documents showing -- in their possession, showing
9 what the real intervals are, if they have changed from
10 the commitment that GTE made and introduce that into
11 the record. They chose not to do.

12 **COMMISSIONER DEASON:** Okay. I'm going to
13 overrule the objection. I think the record speaks for
14 itself and I will allow the exhibit over the
15 objection. Show then Exhibit 23 is admitted.

16 (Exhibit 23 received in evidence.)

17 - - - - -

18 **RON W. MILLS**

19 was called as a witness on behalf of AT&T and, having
20 been duly sworn, testified as follows:

21 **DIRECT EXAMINATION**

22 **BY MR. HATCH:**

23 **Q** Mr. Mills, could you please state your name
24 and business address for the record?

25 **A** Yes. Ronald Mills. 1200 Peachtree Street,

1 Northeast, Atlanta, Georgia.

2 Q By who are you employed and in what
3 capacity?

4 A AT&T Communications of the Southeastern
5 States Incorporated as a district manager in the law
6 and government affairs department.

7 Q Did you prepare and cause to be filed in
8 this proceeding rebuttal testimony consisting of 20
9 pages?

10 A Yes, I did.

11 Q Do you have any changes or corrections to
12 your rebuttal testimony?

13 A Yes. I have provided an erratum sheet.

14 MR. HATCH: Mr. Chairman, if you want we can
15 have him read that or we can just insert the errata
16 sheet for the record purposes and proceed. Whichever
17 you prefer.

18 COMMISSIONER DEASON: Let's go ahead and
19 identify the errata sheet as an exhibit and then with
20 the understanding that these corrections would be
21 made.

22 MR. HATCH: What's the next exhibit?

23 COMMISSIONER DEASON: Exhibit 24.

24 MR. HATCH: Thank you.

25 (Exhibit No. 24 marked for identification

1 and received in evidence.)

2 Q (By Mr. Hatch) Mr. Mills, subject to the
3 changes and corrections in Exhibit 24, if I ask you
4 the same questions as were in your rebuttal testimony,
5 would your answers be the same today?

6 A Yes.

7 MR. HATCH: Mr. Chairman, could I have Mr.
8 Mills' testimony inserted into the record as though
9 read?

10 COMMISSIONER DEASON: Yes. Without
11 objection it shall be so inserted.

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1 George Washington University. I also, hold certifications as an
2 electrician and project manager.

3 In Network Operations, I was responsible for maintaining, testing, and
4 repairing private line and switched telephone equipment.

5 As a Data Processing Associate I was responsible for managing batch and
6 on-line systems data processing programs for The Atlanta Corporate data
7 center. I performed duties as troubleshooter to identify and repair
8 hardware and software errors. Data Processing specialty – Job Control
9 Language (JCL) debugging.

10 As a Marketing Administrator I assisted various National Account teams
11 with technical support for customer presentations and service analysis.

12 Provided National Account Team technical support for voice products,
13 sales and services.

14 Within AT&T engineering I have held several assignments. Successfully
15 transitioned the BellSouth Message TIRKS database to AT&T's Toll
16 Connect Engineering. Developed and wrote all start-up method and
17 procedures for the Atlanta Toll Connect group.

18 National Account Engineering Manager for the Federal Express National
19 Account. Responsible for coordination of all projects (Voice/Data).

20 Customer Service Engineer – Switched Services Coordination,
21 coordinated the implementation of private switched networks, working
22 closely with the Local Exchange Companies.

1 Service Node Engineer – Managed three regions (eighteen states) to
2 provide Nodal and Hybrid services via T1.5 services and access.

3 Project Manager – This position provided subject matter expertise for
4 planning, coordination, and implementing projects that added capacity or
5 features to the AT&T World Wide Intelligent Network.

6

7 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

8 A. The purpose of my rebuttal testimony is to respond to some of the issues
9 raised by other parties who filed testimony in this proceeding.

10 Specifically, I will respond to issues raised by the witness for BellSouth
11 and GTE.

12

13 Q. MR. HENDRIX STATES THAT BELL SOUTH WILL INFORM AN
14 ALEC WITHIN 15 CALENDAR DAYS WHETHER ITS
15 APPLICATION FOR COLOCATION IS ACCEPTED OR REJECTED
16 BASED ON SPACE AVAILABILITY. DO YOU HAVE ANY
17 COMMENT ON THIS STATEMENT?

18 A. Yes. Mr. Hendrix testimony states that BellSouth will comply with the
19 Commission's recent Proposed Agency Action Order regarding the
20 timelines for responding to an ALEC's application for collocation space.
21 BellSouth protested that portion of the order establishing the 15 day
22 requirement. More importantly, the 15 day requirement is inconsistent
23 with the FCC's rule 51.321(h) that requires an ILEC to notify an ALEC

1 with in 10 days of receipt of a request. BellSouth should be required to
 2 notify an ALEC of space availability within 10 calendar days of receipt of
 3 the application for collocation space. Further, it should be noted that
 4 BellSouth is not currently following the Commission’s protested
 5 guideline or the FCC rule.

6
 7 Q. ON PAGE 5, LINE 22-24 MR. HENDRIX STATES THAT, “FOR
 8 PHYSICAL COLLOCATION REQUESTS IN FLORIDA,
 9 BELL SOUTH WILL PROVIDE AN APPLICATION RESPONSE
 10 WITHIN (30) CALENDAR DAYS OF RECEIPT OF THE
 11 COMPLETED APPLICATION AND APPLICATION FEE.” THEN ON
 12 PAGE 6, LINES 4-6 HE STATES THAT WITHIN (30) BUSINESS
 13 DAYS FOR 1-5 APPLICATIONS. WHAT IS THE EFFECT OF
 14 CHANGING FROM CALENDAR DAYS TO BUSINESS DAYS?

15 A. Switching from calendar days to business days is confusing. More
 16 importantly, such a switch serves only to delay timely responses to
 17 ALECs’ applications. Changes from calendar to business days increase
 18 response delays. Also, when multiple applications are sent to BellSouth,
 19 there is no difference in five (5) submitted by one ALEC or five
 20 submitted by five individual ALECs. Arbitrarily stretching out the time
 21 to provide responses again delays collocation for ALECs. BellSouth
 22 provides no justification for its onerous timeframe requirements. Nor
 23 does BellSouth state what the timeframe is if an ALEC sends more than

1 five on the same day. The Commission should adopt a uniform standard
 2 for all collocation applications. The Commission should require that all
 3 applications be answered as to whether physical space exists within 10
 4 calendar days and a full and complete response sufficient to enable an
 5 ALEC to make a firm order within 15 calendar days. It is essential that
 6 the Commission adopt precise collocation intervals and hold the ILECs to
 7 them. To underscore the need for these requirements, from November
 8 1998 through April 1999, fifty-four percent of the responses to AT&T's
 9 collocation applications have been past the 30 day commitment.

10
 11 Q. ON PAGE 7, LINES 2-3 MR. HENDRIX STATES THAT THE
 12 RESPONSE WILL ALSO INCLUDE THE CONFIGURATION OF THE
 13 SPACE. DO YOU HAVE ANY OBSERVATIONS ON THIS
 14 STATEMENT?

15 A. Yes. AT&T agrees that the space configuration should be included in its
 16 response. However, AT&T has never received a space configuration
 17 from BellSouth to date with any of its previous requests.

18
 19 Q. MR. HENDRIX STATES ON PAGE 7 LINES 15-20 THAT
 20 BELLSOUTH HAS NEVER OMITTED INFORMATION THAT WAS
 21 NECESSARY FOR A COLLOCATION APPLICANT TO MOVE
 22 FORWARD WITH A FIRM ORDER. DO AGREE WITH THIS?

23

1 A. No. BellSouth is not meeting its current stated commitments. Moreover,
2 BellSouth's responses are inadequate. In addition to what BellSouth
3 currently provides, AT&T requires the following: an architecture floor
4 plan, exact location of collocation space (i.e. 1st, 2nd, fl.,) location of
5 BellSouth network demarcation main distributing frame, relay rack
6 information specifying floor aisle and bay, joint implementation mtg.
7 dates, address of central office restated, dates on application response sent
8 to AT&T, estimated space ready due date, and proposed point of
9 demarcation. Some or all of this information is consistently not provided
10 to AT&T.

11

12 Q. IS BELLSOUTH'S PROPOSAL THAT INFORMATION OMITTED
13 FROM THE RESPONSE BE PROVIDE "AS SOON AS POSSIBLE"
14 ADEQUATE?

15 A. No. While it seems reasonable on its face, the Commission should
16 carefully note that this undefined standard provides no incentives on
17 BellSouth to move in a timely manner. Here time is of the essence.
18 There should be no extension of the 30 calendar days and all the
19 information that an ALEC needs to send a Firm Order back to BellSouth.

20

21 Q. DO YOU AGREE WITH MR. MILNER'S DEFINITION OF
22 "PREMISES"?

1 A. No. Unlike the FCC's Expanded Interconnection collocation rules,
2 section 251(c)(6) is not limited to "central offices" but more broadly
3 allows collocation "at the premises of the local exchange carriers" (see 47
4 U.S.C. 251(c)(6)) The dictionary definition of "premises" is "a piece of
5 real estate; house or building and its land" (See Webster's New World
6 Dictionary, 2d ed. 1984) Relying on this distinction and the pro-
7 competitive purpose of the Act, the FCC has reasonably determined that
8 section 251 (c)(6) permits new entrants to collocate in a broad range of
9 points under the ILEC's control. (Local Competition Order para. 573.)

10 Q. DO YOU AGREE WITH MR. MILNER'S TESTIMONY REGARDING
11 "OFF-PREMISES" INTERCONNECTION?

12 A. No. The Commission should not grant Mr. Milner's request to declare
13 that BellSouth is not required to accommodate requests for non-fiber
14 optic facilities placed in its entrance facilities, consistent with FCC Rules
15 in CC Dockets 96-98 and 91-141. The Commission should require
16 ILECs, pursuant to FCC Rule 51.323 including (d)(3), "permit
17 interconnection of copper or coaxial cable if such interconnection is first
18 approved by the state commission; . . ." This requirement is more in
19 keeping with the procompetitive purposes of the Act and the freedom of
20 ALECs to develop their networks as meet their needs. Competition does
21 not flourish by allowing ILECs to place unreasonable requirements in the
22 path of the ALECs.

1 Q. DO YOU AGREE WITH THE TERMS AND CONDITIONS THAT
2 MR. HENDRIX PROPOSES REGARDING CONVERTING VIRTUAL
3 COLLOCATION TO PHYSICAL COLLOCATION?

4 A. No. AT&T does not agree with Mr. Hendrix position regarding the terms
5 and conditions to converting virtual collocation to physical collocation.
6 When an ALEC requests that a virtual arrangement be converted to
7 physical, the conversion should be allowed with no other changes than
8 the change in ownership and maintenance responsibilities. Mr. Hendrix
9 identifies no operational reason that would necessitate any changes to the
10 configuration of the converted collocation arrangement. This is in
11 keeping with the FCC Advanced Services Order that precluded ILECs
12 from imposing many of the previous limitations on physical collocation
13 that accomplished nothing more than needlessly increasing ALEC's costs.

14 Q. DO YOU AGREE WITH BELL SOUTH'S POSITION ON RESPONSE
15 AND IMPLEMENTATION INTERVALS FOR CHANGES TO
16 EXISTING ALEC COLLOCATION SPACE?

17 A. No. The 90 calendar days suggested by Mr. Hendrix for changes to
18 existing collocation where BellSouth believes conditions are other than
19 normal according to their scope and definition is unreasonable. Mr.
20 Hendrix offers no explanation as to how any of his self-described "other
21 than normal conditions" would necessitate a longer provisioning interval.
22 A far more reasonable time interval for all BellSouth stated conditions

1 should not exceed sixty (60) calendar days.

2 Q. DO BELLSOUTH'S PROVISION INTERVALS FAIL TO PROVIDE
3 SHORTER INTERVALS TO MAKE CHANGES NECESSITATED BY
4 EMERGENCY CONDITIONS?

5 A. Yes. BellSouth has not provided intervals that accommodate changes to
6 existing collocation space that are necessitated by emergency situations.
7 Under emergency conditions such as safety hazards, fluid leaks, bad cable
8 connections to AT&T's equipment or other service threatening
9 conditions, the reasonable response from BellSouth should be no less than
10 forty-eight (48) hours. The necessary implementation interval needed to
11 perform the emergency condition repair/requests should not exceed 7
12 days. As an example of actions requiring expedited treatment, in a
13 situation in Florida, BellSouth installed certain faulty DS0, DS1, and DS3
14 cable connections in several locations. BellSouth was notified of these
15 conditions and it committed to repair the faulty cable in ten (10) days.
16 However, the repair was not completed until approximately five (5)
17 weeks later. BellSouth's lack of timely response and implementation of
18 changes seriously affected AT&T's ability to provide the service it
19 promised to its own customers. This was very costly in terms of
20 customer satisfaction, not to mention time and money.

21 Q. IS BELLSOUTH'S REQUIREMENT THAT ALECS PAY AN
22 APPLICATION FEE FOR CROSS CONNECTIONS BETWEEN

1 NONCONTIGUOUS ALEC COLLOCATION SPACES
2 APPROPRIATE?

3 A. No. BellSouth's imposition of an application fee for ALEC to ALEC
4 cross connections that are not between contiguous spaces is clearly
5 appropriate. Certainly BellSouth should be notified that such connections
6 are being made. However, it is inappropriate to impose an application fee
7 when BellSouth performs no work in making the cross connections.

8 Q. DO YOU AGREE WITH BELLSOUTH'S PROPOSED
9 PROVISIONING INTERVAL FOR PROVISIONING CAGELESS
10 COLLOCATION?

11 A. No. BellSouth's proposed interval it inappropriate. There are no
12 significant differences between virtual collocation and cageless
13 collocation. As a result, the provisioning interval for cageless collocation
14 should be the same as virtual collocation – 60 calendar days.

15 Q. DO YOU AGREE WITH MR. MILNER'S DEFINITION OF THE
16 APPROPRIATE DEMARCATION POINT BETWEEN ILEC AND
17 ALEC FACILITIES?

18 A. No. It is unclear as to what is Mr. Milner means when he talks about a
19 "conventional distributing frame." It is AT&T's understanding that all
20 distributing frames are conventional, therefore BellSouth could be
21 including intermediary distributing frames (point of termination bays

1 (POTs bays) in its definition. More importantly, BellSouth should not
2 have sole discretion to determine demarcation points on a case by case
3 basis. BellSouth must jointly establish with ALEC's the other points of
4 demarcation for fiber, coaxial, and copper terminations.

5 BellSouth states that a POTs bay may, at the ALEC's option, be placed in
6 an ALEC's collocation space. Contrary to BellSouth's view however, a
7 POTs bay placed at an ALEC's space should be the demarcation point.
8 There is no technical reason why a POTs bay should not be the
9 demarcation point as chosen by the ALEC. Precluding such an
10 arrangement does nothing but increase ALEC costs for no reason.

11 Q. IS BELLSOUTH'S PROPOSAL FOR RESERVATION OF SPACE
12 APPROPRIATE?

13 A. No. Mr. Milner's testimony describes a reservation process that doesn't
14 exist. AT&T is unaware of any BellSouth procedure under which
15 BellSouth must reserve space for its own use in a manner equal to the
16 application process that must be used by ALECs to obtain space. He
17 states that "BellSouth will forfeit any of its reserved space that will not be
18 used within the two-year window if needed by an ALEC." It is clear
19 from this comment that BellSouth has reserved space for its own use;
20 however, ALECs have no knowledge of the amounts and locations of
21 such reserved space since BellSouth does not make this information
22 available. If BellSouth had a reservation procedure under which it and

1 ALECs could reserve space, then all parties would have knowledge of the
2 space reserved. There is no reservation process available to ALECs;
3 ALECs must use BellSouth's application procedure to order collocated
4 space as their only means of reserving space for future use. In doing so,
5 ALECs must apply for space without knowledge of BellSouth's private
6 reservations. AT&T believes that this breakdown in procedures prevents
7 ALECs and this Commission from knowing whether BellSouth is
8 complying with the FCC's admonition that ILECs not reserve space for
9 their own use on more favorable terms than those applied to ALECs. Mr.
10 Milner is incorrect in asserting that "BellSouth applies to ALECs the
11 same standards it applies to itself regarding the reservation of space."
12 Additionally as long as an ALEC has an appropriately documented
13 business plan for use of the space, such ALEC should not be required to
14 forfeit the space.

15 Q. DO YOU AGREE WITH MR. MILNER'S CONTENTION GENERIC
16 PARAMETERS CANNOT BE ESTABLISHED?

17 A. No. Over the years new technology has shrunk the foot print and size of
18 equipment used in central offices thus, freeing space once used for
19 equipment. Wisely, many ILECs moved administrative employees into
20 this unused space. While this may have been an appropriate use of such
21 space in a monopoly era, it is not appropriate any longer. Fostering
22 competition in the local exchange market and in particular the need for
23 collocation space competition requires that space used for administrative

1 purposes not critical to the operation and maintenance of the central
2 office be available for collocation as needed. To do otherwise will choke
3 the proliferation of facilities-based competition.

4 Q. DO YOU AGREE WITH MR. MILNER'S ASSERTION THAT
5 SIMPLY HAVING A "PRODUCTIVE USE FOR THE SPACE"
6 SHOULD PRECLUDE ITS AVAILABILITY FOR COLLOCATION?

7 A. No. Simply finding a productive use for space that is not related to the
8 essential maintenance and operation of the central office is not a
9 sufficient basis to exclude otherwise available space from collocation.
10 Such activities become a barrier to ALEC ability to provide facilities
11 based competition. Moreover, it also lends itself to subtle warehousing
12 of space by the ILEC. The ILEC with nonessential administrative
13 functions occupying space in a central office can manipulate the available
14 space on its own whim to its own advantage and to the ALECs
15 disadvantage. Efficient use of all available space in the furtherance of
16 competition is the most appropriate and most productive use of such
17 space.

18 Q. MR. HENDRIX STATES THAT WHEN SPACE IS AVAILABLE
19 BELL SOUTH PROVIDES PRICE QUOTES WITHIN 30 BUSINESS
20 DAYS AND IDENTIFIES THE DETAIL THAT IS PROVIDED WITH
21 THE PRICE QUOTE. DO YOU HAVE ANY COMMENT?

22 A. Yes. BellSouth's time interval as well as the detail provided with the

1 price quote are inappropriate. A price quote should be provided within
2 15 calendar days not 30 business days. It is essential that ALECs be
3 given quick and timely price estimates for collocation. We require a
4 timely price estimate in fifteen calendar days from the time BellSouth
5 receives a complete and accurate and fee. Under many conditions, the
6 price quotes provided are not detailed to the level for an ALEC to
7 determine feasibility and accuracy of associated cost. Many cost
8 estimates are over inflated - over 80% of AT&T's cage collocation
9 requests are exceeding \$100,000 for space preparation by BellSouth. The
10 detail information supplied by BellSouth does not even come close to
11 disclosing sufficient cost detail that AT&T can judge the appropriateness
12 of the costs being imposed. ILECs must be required to provide a fully
13 detailed itemized accounting of the bills rendered for collocation in order
14 for the ALECs to validate the charges being imposed.

15 Q. DO YOU AGREE WITH BELLSOUTH'S AND GTE'S POSITION
16 REGARDING PARTICIPATION OF THE ALECS IN THE
17 DEVELOPMENT OF THE ILEC'S COLLOCATION PRICE QUOTE?

18 A. No. ALECs should have the opportunity to participate in the
19 development of these cost estimates performed by BellSouth or its
20 certified contractors on the behalf of the ALEC. BellSouth's practices in
21 this regard raise serious questions. AT&T is charged large sums of
22 money for the various elements of establishing collocation space.
23 However, AT&T is not allowed to verify or validate reasonableness of

1 the charges assessed. For example, a significant portion of the
2 application fee is for architectural fees to design the infrastructure build
3 outs of the caged enclosures. However, AT&T never receives scaled and
4 detailed architectural blue prints of this design work. It has been brought
5 to AT&T's attention that BellSouth benefits directly from these services
6 and receives the architectural blue prints. In many cases the architectural
7 costs exceed \$20,000 per location for preparation. AT&T strongly feels
8 that this is a prime example of why the ILECs should provide ALECs
9 with the opportunity to protect their interests by being included in the
10 price development sessions with the ILEC.

11 Q. DO YOU AGREE WITH BELLSOUTH'S POSITION THAT WOULD
12 PRECLUDE AN ALEC FROM HIRING AN ILEC CERTIFIED
13 CONTRACTOR TO PERFORM SITE PREPARATION, RACKING
14 AND CABLING AND POWER WORK?

15 A. Yes. Generally, it is the ILEC's obligation and responsibility to prepare
16 the space for collocation. However, BellSouth's stated concerns do not
17 support their policy on this issue. There can be no valid concern about
18 the quality of the contractor since it would be certified by the ILEC. The
19 certified contractor performing work on the behalf of an ALEC would
20 have to schedule any work done work with BellSouth in accordance with
21 some mutually agreed upon method and procedure. The process of
22 scheduling the work would preclude work being performed by multiple
23 carriers. The ILEC's careful scheduling of multiple carriers in the

1 common work area would avoid any safety violations or dangerous work
2 situations. BellSouth's parade of "chaotic" horrors is simply a red
3 herring.

4 Q. DO YOU AGREE WITH BELLSOUTH'S AND GTE'S ASSERTIONS
5 AS TO THE CIRCUMSTANCES THAT WOULD JUSTIFY AN
6 EXTENSION OF THE PROVISIONING INTERVALS?

7 A. No. BellSouth and GTE do not appropriately justify any extension from
8 the provisioning intervals absent an agreement for the ALEC. The
9 provisioning intervals should never be extended without prior notification
10 unless both parties are aware of the circumstances and are in mutual
11 agreement. The only exceptions should be truly extraordinary
12 circumstances such as acts of God. The "extraordinary circumstances"
13 identified by BellSouth such as equipment rearrangements or additions;
14 power plant additions or upgrades are simply not extraordinary events.
15 These are routine normal events that happen in the life of a central office.
16 Moreover, they are known and planned well in advance. There should be
17 no "unforeseen" conditions stemming from these events. Simple efficient
18 planning for the occurrence of these activities should easily be
19 coordinated with any collocation activities.

20 Q. IS BELLSOUTH'S PROPOSED RECOVERY OF COSTS FOR SITE
21 PREPARATION, SECURITY AND COLLOCATION REPORTS
22 APPROPRIATE?

1 A. In part, BellSouth's proposed methodology is appropriate. The proposed
2 nonrecurring charge rationale is appropriate but the actual cost studies
3 must be examined to determine the appropriateness of the final rates.
4 For purposes of the recurring charges for security, the rates should be
5 recovered as part of the floor space rental and should be allocated based
6 on each ALEC's footage divided by the total CO square footage at the
7 premises, including BellSouth occupied space. Site preparation costs
8 should be recovered based on each ALEC's square footage divided by the
9 total CO square footage at the premises, including BellSouth occupied
10 space.

11

12 Q. WHAT IS YOUR UNDERSTANDING OF BELLSOUTH'S
13 PROPOSAL TO NOTIFY ALECS AND THE COMMISSION OF
14 SPACE THAT BECOMES AVAILABLE IN AN OFFICE THAT
15 PREVIOUSLY WAS AT EXHAUST?

16 A. It is unclear as to what BellSouth intends here. First, BellSouth states
17 that it will maintain a waiting list for applications that are submitted for
18 space where space is exhausted. It appears extremely onerous to require
19 ALECs to make an application with the attendant fees simply to get on to
20 BellSouth's waiting list. It would be far more appropriate if BellSouth
21 would allow ALECs to simply write a letter to BellSouth informing them
22 that the ALEC seeks to be placed on the waiting list for particular central
23 office. This process should apply to all ILECs.

1 Second, BellSouth states that when space becomes available, it is going to
2 notify the ALEC's that can be accommodated based upon the square
3 footage requested. This would suggest that the priority for awarding the
4 new space would be based on the nature of the space requested and not on
5 when it was requested. If this reading of BellSouth's position is correct
6 then it would appear to violate the notion that space should be awarded on
7 a first-come, first-served basis.

8 Third, ILECs should be required to provide a minimum of 60-days notice
9 of the space availability. This is a much more reasonable notice
10 requirement. This would actually give an ALEC sufficient time to
11 evaluate its space needs as well as its current forecasts to judge whether it
12 still requires the collocation space. The Commission should be notified
13 at the same time that ALECs are notified.

14
15 Q. DO YOU AGREE WITH BELL SOUTH'S METHODOLOGY FOR
16 APPLYING THE FIRST-COME, FIRST-SERVED RULE?

17 A. Not entirely. Initially, a distinction must be made between the two
18 scenarios at issue – space available because a waiver request is denied
19 and space available due to a modification to the central office. Each
20 requires different treatment.

21 For instances where space is available due to a modification to the central
22 office, if the ILEC has denied a request for physical collocation within the
23 preceding three years (a reasonable period where a requestor may still be

1 interested in the space), any newly available collocation shall first be
2 offered to the carriers whose request for physical collocation were denied,
3 beginning with the first such denial. Only reasonable space requests
4 should be honored. For example, a request for 5000 square feet by the
5 first requestor should be limited to some reasonable amount that is in line
6 with other typical requestors.

7 In those instances in which collocation space becomes available as a
8 result of a denial of a waiver, the ILEC should award space to the ALECs
9 that challenged the waiver request. The order in which space should be
10 granted should be the same in which the ALECs that actually challenge
11 the waiver requested space. To the extent that a requestor fails to
12 participate in the challenge of the waiver request, that requestor will have
13 waived its place in the priority of space allocated as a result of the
14 successful challenge of the waiver request. As was noted above, only
15 reasonable requests for space should be honored.

16 The ILEC must not be allowed to require ALECs to reapply for space that
17 becomes available. Reapplication would allow the ILECs to start the
18 clock over before offering physical collocation space. Instead, ILECs
19 should respond to applicants immediately after space becomes available
20 to offer them the new space consistent with the process recommended
21 above.

22 If an ILEC improperly denied a request for physical collocation in a
23 central office where the Commission determines space is available, the

1 ILEC should be responsible for all of the costs associated with migrating
2 a virtual collocation arrangement to a physical collocation arrangement
3 and any additional costs related to the ILEC's initial improper denial.
4 Such a policy would put an ALEC near the same position it would have
5 been in had the ILEC initially and correctly offered space and would
6 encourage the ILECs to offer space to ALECs when the space is actually
7 available.

8

9 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

10 A. Yes.

11

12

13

14

1 Q **(By Mr. Hatch)** Mr. Mills, do you have a
2 summary of your testimony?

3 A Yes.

4 Q Could you give it at this time, please?

5 A Yes. Good morning.

6 Well, as a technician, a project
7 coordinator, manager and engineer for most of my
8 career, I've seen groups and individuals such as this
9 meet to resolve painful and complex issues such as
10 these.

11 Some of the issues before the Commission
12 need only a rule or practice to move forward. Most of
13 the when questions in the issues can be answered
14 specifically. The subset of the when issues and
15 questions are, how do you set targets; how do you set
16 measures; how do you set intervals, dates, in an
17 agreed manner.

18 All of the problems identified in my
19 testimony fall into three areas or categories. As a
20 project manager and an engineer I'd like to focus
21 these in something that we term as the triple
22 constraint.

23 The triple constraint consists of being on
24 time, on budget, and to within specification or
25 customer needs. These principles are tried and

1 tested.

2 On time, for example. We all know what on
3 time is. That's one of the principles. Just being
4 here this morning at 9 o'clock, that's being on time.

5 We have a date or target to meet such as
6 that defined for collocation space is to be on time.
7 Issues 1, 2, 6, 8, 13, 16, 19, and 20 are all time
8 related.

9 What we need, firm provisioning intervals to
10 encourage the rapid provisioning of collocation
11 orders. We want calendar days for timeliness and
12 certainty to ensure faster provisioning on time.

13 On budget relates to issues that increase
14 the cost of provisioning collocated space. No one
15 here has unlimited funds. We all operate on budgets
16 allowing all of us to be prudent and cost-effective.
17 Also we'd like to give Florida customers competitive
18 choices. Issues 5, 11, 12, and 19 are budget or cost
19 related issues.

20 And lastly, to specifications or customer
21 requirements. These are details needed, sorely
22 needed, by both the ALEC and BellSouth to operate
23 without second-guessing one another. Issues 9 through
24 14, 16 through 18, 20 and 21 are all specification
25 requirements that are needed or customer needs. We

1 need better, more precise, and enforceable processes
2 for obtaining collocated space.

3 Our solution here is kind of simple to me.
4 The FCC has supplied guidelines to foster collocation.
5 In my reading of the orders, a clear set of principles
6 emerge. If the proposals hinder collocation
7 requirements, reject them. If the proposals help
8 collocation requirements, accept them.

9 In summary, I ask the Commission's support
10 in giving closure to the issues as supported in the
11 FCC rules and orders. Thank you.

12 **MR. HATCH:** I tender the witness for cross.

13 **CROSS-EXAMINATION**

14 **BY MR. EDENFIELD:**

15 **Q** It is still morning. Good morning,
16 Mr. Mills. My name is Kip Edenfield and I'll be
17 asking you a few questions today on behalf of
18 BellSouth. Let's start with your experience. What do
19 you currently do?

20 **A** I act as -- I'm a district manager. I'm
21 located in the law and governmental affairs department
22 of AT&T, and I act as a technical support manager
23 witness for issues related to 271.

24 **Q** How does your job involve you directly with
25 collocation?

1 **A** I research any types of issues in support of
2 the various teams within the local service
3 organization that relate to any collocation issues;
4 help facilitate and plan those issues.

5 **Q** Are you involved from the field perspective
6 in the implementation of collocation in BellSouth's
7 central offices?

8 **A** Indirectly, yes, I am.

9 **Q** Indirectly. Tell me what that indirect
10 involvement is?

11 **A** When our field operations people have any
12 types of problems, and as a support manager in the
13 area of collocation I do look at issues and review
14 issues with the teams that relate to collocation
15 matters.

16 **Q** Do you directly interface with BellSouth
17 either at the central office or on a higher level?

18 **A** No, I haven't.

19 **Q** Have you been personally involved in
20 discussions between AT&T and BellSouth on some of the
21 problems that you mentioned in your testimony?

22 **A** Yes, I have.

23 **Q** And who in BellSouth did you speak to?

24 **A** When you say personally involved, I haven't
25 spoken directly, but I have been a part of meetings

1 that issues related to collocations have been
2 discussed.

3 Q As I understand your testimony, that would
4 be internal AT&T meetings as opposed to meetings with
5 BellSouth personnel?

6 A Conference calls. I've been on conference
7 calls.

8 Q Have you ever provisioned a collocation
9 arrangement?

10 A Me, personally?

11 Q Yes.

12 A No, I haven't.

13 Q Okay. Now, as I understand AT&T's business
14 plan, it is trying to get into the cable business or
15 it actually is in the cable business?

16 A I would say yes.

17 Q Do you know whether in provisioning of cable
18 services there is an equivalent to a central office?

19 A Yes, it is.

20 Q And are you aware that in Broward County,
21 Fort Lauderdale, Florida that AT&T has been ordered to
22 open up its facilities and networks in that area? And
23 I understand AT&T has filed a challenge to that.

24 MR. HATCH: Objection. He's going way
25 beyond the scope of Mr. Mills' testimony. We are not

1 here to deal with cable TV or cable TV provisioning.

2 **COMMISSIONER DEASON:** There's been an
3 objection.

4 **MR. EDENFIELD:** One more question and I will
5 tie it together and I'll show you how it applies.

6 **COMMISSIONER DEASON:** Please proceed.

7 **Q (By Mr. Edenfield)** I'm sorry, Mr. Mills.
8 Are you aware of that; the Broward County ordinances?

9 **A** No, I'm not.

10 **Q** Would you be willing to agree that to apply
11 in your cable business the same collocation terms and
12 conditions that you have requested here as reasonable
13 if, in fact, you're required to open up those markets?

14 **MR. HATCH:** Objection. Again, way beyond
15 the scope of Mr. Mills' testimony. He's now asking
16 about obligations other than incumbents and there are
17 currently no obligations on incumbents and nor is that
18 an issue before' the Commission in this proceeding.

19 **MR. EDENFIELD:** All I'm trying to get at,
20 Commissioner Deason, is whether what he's suggesting
21 is appropriate for BellSouth would also be appropriate
22 for AT&T. Just goose, gander.

23 **MR. HATCH:** Commissioner Deason,
24 unfortunately there is no symmetry in this process.
25 The FCC's collocation orders and all the collocation

1 processes currently are obligations of the ILECs.

2 **COMMISSIONER DEASON:** I think that the
3 question goes to the witness' perception of what
4 fairness is when it comes to collocation. I agree
5 that the example is a little bit outside the subject
6 matter of this proceeding. However, I think it does
7 shed some light from a policy perspective and I'm
8 going to allow the question.

9 **WITNESS MILLS:** Would you restate the
10 question, please?

11 **Q** **(By Mr. Edenfield)** Oh, no. If, in fact,
12 AT&T is required to open up its central office
13 equivalence in the provision of cable services, would
14 you be willing to agree to the same terms and
15 conditions that you are suggesting that BellSouth have
16 to comply with?

17 **A** I would not say I would agree to the same
18 terms and conditions, but in all matters that are like
19 or equal, in applying those likenesses I would think
20 it would be prudent that we should follow the same
21 principles.

22 **Q** Looking in your rebuttal, you only filed
23 rebuttal, isn't that correct, Mr. Mills?

24 **A** That is correct.

25 **Q** Good. Make sure I'm not missing something

1 here. On Page 3 of your rebuttal, looking at Lines 22
2 and 23, you talk about the 15 day requirement. Was
3 that a change? That suppose to be consistent? I'm
4 sorry. The 15 day requirement that BellSouth has
5 proposed is inconsistent with 51.321(h). Do you think
6 that 51.321(h) of the FCC rules is applicable to an
7 initial collocation application?

8 A Yes, I do.

9 Q So you think when the FCC talks about a
10 request for a report as to the status of central
11 offices generally in the region or in a state, that
12 that is referencing the initial collocation
13 application? That that is the same exact request?

14 A If we're -- let me be clear. If it is to
15 identify any type of exhaustion and there is a method
16 to do that, no, I don't agree that that is where that
17 is applicable within the order.

18 Q Look in your testimony on Page 7. Looking
19 at Line 4 you talk about the dictionary definition of
20 premises is in quotes "a piece of real estate, house
21 or building and its land." Do you recall that
22 testimony?

23 A I'm looking at it now.

24 Q Is it your position that the Webster's
25 definition of premises should take precedence over the

1 FCC's definition of premise as it applies in
2 collocation situations?

3 **A** No, I'm not. But that's simply to
4 illustrate the intent that the FCC had for us and it
5 was to broaden and it was to give us broad views of
6 what collocation guidelines we would have. So when we
7 would get to places like the State Commissions, as we
8 are here today, we could give further interpretations
9 and delineation.

10 Therefore, all of the issues regarding
11 premises, the questions, I believe when the FCC did
12 write that, it was in those broad terms where general
13 and normal people would understand that. And we would
14 not have persons continuing even though the FCC -- and
15 within the order there is a statement of what premises
16 is defined as. But, again, it's for that broad
17 interpretation. The dictionary is there really to
18 help us more or less focus more closely as to what we
19 understand premise is and everyone in this hearing
20 room would understand a premise as.

21 **Q** Mr. Mills, do you agree that there is a
22 different definition between what the FCC has defined
23 premises to be for terms of collocation and how
24 Webster's defines premises?

25 **A** I would agree literally that they are

1 different. The intent of and understanding for
2 laypersons, how to bring the two together for an
3 understanding to move forward where we can understand
4 what premises means in the context where Southern Bell
5 would believe or BellSouth, is only a building and
6 nothing else.

7 Q Are you suggesting that the FCC's definition
8 of premises found in Code of Federal Regulations Rule
9 51.5 is somehow ambiguous?

10 A No, I'm not. I was simply trying to restate
11 or give a balance to help one understand more clearly
12 the FCC's definition.

13 Q Are you suggesting that this Commission
14 adopt a definition of premise that is somehow beyond
15 or different than the FCC's definition of premise as
16 it applies to collocation?

17 A Again, the intent of the FCC is to allow
18 Commissions to give more concise interpretations in
19 matters where they have given rules and orders.

20 Q Is AT&T in this proceeding advocating a
21 position that the FCC's definition of premises, as
22 found in Rule 51.5, be modified or expanded?

23 A No.

24 Q Do you agree that before an ILEC such as
25 BellSouth is required to allow collocation that it can

1 only be done at a premises as defined by the FCC?

2 A Yes.

3 Q Okay. Do you agree that premises, as
4 defined by the FCC, would include buildings and
5 structures that house network facilities?

6 A Yes.

7 Q Would you also agree that those premises
8 would have to either be owned or leased by BellSouth?

9 A No, I would not.

10 Q Let's take a look -- do you have the Code of
11 Federal Regulations there in front of you?

12 A I have an excerpt. Only an excerpt. I have
13 99-48.

14 MR. HATCH: I would give him mine, but the
15 witness that I gave it to for you folks last night
16 walked off with mine.

17 Q (By Mr. Edenfield) Let me get a copy,
18 Mr. Mills, for you of the part that's not in there
19 because the definition I'm talking about is not found
20 in the excerpts to the order.

21 COMMISSIONER DEASON: I believe the witness
22 has the definition.

23 MR. EDENFIELD: Oh, I'm sorry. This is not
24 found in the decision. This was part of the --

25 COMMISSIONER DEASON: This is from the Code

1 of Federal Regulations?

2 **MR. EDENFIELD:** Yes, Commissioner Deason.

3 **COMMISSIONER DEASON:** Ask the witness if he
4 has that.

5 **Q (By Mr. Edenfield)** Mr. Mills, do you have
6 Code of Federal Regulations Rule 51.5 there in front
7 of you?

8 **A** Yes, I have.

9 **Q** I'm sorry. Look in there and find the
10 definition of the word premises.

11 **A** I have it.

12 **Q** Will you agree that premises refers to an
13 incumbent LEC's central offices and serving wire
14 centers as well as all buildings or similar structures
15 owned or leased by an incumbent LEC that house network
16 facilities?

17 **A** I agree.

18 **Q** Looking in your testimony, you talk about
19 shorter collocation intervals for changes necessitated
20 by emergency conditions. Are you familiar with that?

21 **A** Yes, I am.

22 **Q** What does AT&T describe as a emergency
23 condition?

24 **A** Here would be an example. It's some
25 occurrence within one of your central offices

1 disrupted service within that office, a broken water
2 pipe, an oil leak, a battery explosion, any type of
3 emergency situation that would possibly impair or stop
4 service.

5 Q Did you think it's necessary to have a rule
6 to that effect? In other words, is AT&T of the
7 opinion that BellSouth would not act as expeditiously
8 as humanly possible to fix a broken water main or a
9 fire damage or some other emergency situation, that it
10 would require a rule?

11 A Those are the most significant types of
12 emergencies, but in the case of services damaged
13 through some type of error or other type of injury, I
14 would expect that BellSouth would have some type of
15 procedure that would act in an expeditious manner to
16 give the corrected action.

17 Q Do you think it's going to require a rule to
18 do that?

19 A I would believe so in the event that we have
20 had an experience that I cited that BellSouth did not
21 act in that manner and when asked to do the corrective
22 action, was slow in nature, and the normal, what I
23 would think would be reasonable procedures -- there's
24 nothing there to help BellSouth act in an expeditious
25 manner.

1 Q Would you agree with me that what AT&T may
2 define as an emergency may not be the same as what
3 BellSouth and other ALECs or ILECs may define as an
4 emergency?

5 A Not under the context that an emergency
6 situation when your service is out and the customer is
7 not being served, time is of the essence for that
8 customer. I would say for a customer to be out of
9 service for any time and especially to wait days for
10 that corrective action, that's an emergency.

11 Q Other than what I call the obvious emergency
12 situations, fire, water, things like that, does
13 BellSouth -- does AT&T define as an emergency
14 situation things other than service outages?

15 A As you said, things that I or you would
16 consider, fire, they're not fires in central offices
17 or water main breaks that often. Those are the
18 extremes. There are other emergencies where service
19 is out that need some type of corrective action.

20 Q Those are the ones that I'm taking about.
21 Other than service outages, would you put anything
22 else in the other emergency category?

23 A If there's no service outage, we do not have
24 an emergency.

25 Q On Page 10 of your rebuttal testimony,

1 looking at Line 11 through 14 --

2 **COMMISSIONER CLARK:** Let me ask a question.
3 Would you say a service outage or an imminent service
4 outage -- suppose something has happened and you know
5 if you don't act quickly it will result in a service
6 outage?

7 **WITNESS MILLS:** A possible failure, if your
8 battery supply is failing, you can actually see that
9 failure occurring and you will know at some point you
10 no longer have back-up services, that is an emergency
11 situation. But at that point, it does not terminate
12 service. Some quick relief action is required at that
13 time.

14 **Q** **(By Mr. Edenfield)** Looking at your
15 rebuttal testimony, Mr. Mills, on Page 10, Lines 11
16 through 14, you talk about there being no significant
17 differences between virtual collocation and cageless
18 collocation. Is that your position?

19 **A** That's correct.

20 **Q** Would you agree with me that the only
21 difference between caged physical collocation and
22 cageless physical collocation is the lack of a cage?

23 **A** Yes, I would.

24 **Q** And when you look at a virtual collocation
25 situation versus a caged physical collocation, what

1 are some of the differences between those two
2 situations?

3 **A** Between the virtual collocation and the
4 cageless? Well, the very first difference, and it's
5 not a physical difference, in the virtual BellSouth
6 maintains all of the support and ownership of the
7 virtual. That is the main difference and that is a
8 non-physical type of difference; just who maintains
9 it. In the cageless collocation we would have the
10 maintenance responsibilities for that. BellSouth
11 would not.

12 **Q** How about the types of equipment normally
13 found in virtual collocation arrangements as opposed
14 to cageless physical collocation arrangements. Are
15 you familiar with that?

16 **A** Yes.

17 **Q** What type of arrangements do you normally
18 find or -- I'm sorry. What types of equipment do you
19 normally find in a virtual collocation arrangement?

20 **A** The type of equipment in the virtual type,
21 again -- and that would be equipment within BellSouth
22 bays and line up areas, unlike within the caged type
23 which would now belong to the ALEC and we would have
24 to maintain those, it's transmission types of
25 equipment. And again, the footprint of that said

1 equipment in that cageless environment, would possibly
2 be larger or more expanded than within the virtual
3 because the virtual could only be at times a partial
4 bay.

5 Q Okay. So that could be another difference
6 is that cageless collocation footprints are a lot
7 larger -- well, I won't say a lot. Are larger than
8 virtual collocation?

9 A Not larger, but different.

10 Q Would you agree with me that you will often
11 times find switching equipment in a cageless
12 collocation arrangement?

13 A I would say not often times, but, again, the
14 act and the functionality of equipment that is allowed
15 within collocated space can have a switching
16 functionality to it. I wouldn't say that switching
17 equipment would be there. If it's switching equipment
18 I would hope it would be on a switch site.

19 Q Do you agree that there are grounding
20 differentials and other differentials such as power
21 and heat exhaustion and such between a trans -- piece
22 of transmission equipment and a piece of equipment
23 that may have switching functionality?

24 A Definitely yes.

25 Q Now, looking at Page 12 of your testimony,

1 you talk about there being no reservation process
2 available to ALECs. Is that technically correct?

3 **A** It's technically correct as stated for the
4 past two days in this hearing whereas we have -- AT&T
5 has not been given a documented process of a
6 reservation process that BellSouth uses. What I heard
7 throughout the past couple of days is that the ALECs
8 are advised of reserve space by BellSouth by virtue of
9 it being marked on drawings without an initial date to
10 indicate a start or an end time for that reservation
11 of that said marked space on those drawings.

12 **Q** During the same last two days have you not
13 heard testimony that says that BellSouth allows ALECs
14 to reserve space for the same amount of time that
15 BellSouth reserves it for itself?

16 **A** Yes, I have. But, again, your question was
17 did you have a process -- did you have -- I haven't
18 seen your process.

19 **Q** Okay. I see what you're saying. So you're
20 saying -- you're not contending that we don't allow
21 AT&T or other ALECs to reserve space. You're just
22 saying there's no formalized process for such?

23 **A** You don't have one.

24 **Q** I understand that's certainly AT&T's
25 position.

1 **A** If so, I would ask that we would receive a
2 copy of it.

3 **Q** In the event that the Commission would
4 require the relocation of administrative or
5 non-essential personnel, who do you think should pick
6 up the tab for that?

7 **A** Well, for the first time I would agree with
8 the term individual case basis. I would like to know
9 the conditions and the circumstances of that.
10 Certainly, if AT&T is driving that change or the
11 causer of that change, it's only reasonable in my
12 opinion that we should bear part of those costs in
13 part or whole.

14 **Q** Let me ask you this. You mention about
15 price quotes being provided in 15 calendar days not 30
16 business days in your testimony. Is that making any
17 type of assumption as to whether there is an existing
18 tariff for those particular items being ordered or
19 whether it's being done on an individual case basis or
20 would your 15 calendar day provision interval apply to
21 both?

22 **A** That's a pretty long question there, but let
23 me try to sort this out. First, it's not a
24 presumption that any type of tariffing exists. The
25 context is for time -- on time. Time is of the

1 essence; to have some type of shorter time to receive
2 information. That's it in a nutshell.

3 Q Regardless of whether part of the
4 information being requested maybe standardized or not?

5 A That's correct.

6 Q You also mention that AT&T is not allowed to
7 verify or validate reasonableness of the charges
8 accessed. Has AT&T ever asked for copies of invoices?

9 A Yes, we have.

10 Q Has AT&T received copies of those invoices?

11 A Again, when you say received copies of those
12 invoices, it is our contention that we do not receive
13 a detail listing of all -- and I will emphasis all --
14 invoices. You give us some, but we don't get the
15 complete sorry.

16 Q Are you suggesting that BellSouth has an
17 invoice for work that was performed in getting your
18 collocation space available that we are not giving to
19 you?

20 A We're suggesting or simply asking that we be
21 allowed to see all costs associated with the cost
22 incurred for the collocated space. We would like to
23 act in a prudent manner, again, in the triple
24 constraint; on time, on budget, to specifications.
25 When we give specifications and requirements it's only

1 reasonable that we would like to know how much is that
2 house costing us that we're having built.

3 Q I'm sorry. Say that one more time.

4 A We would like to know how much that space or
5 that house -- in an analogy I heard earlier about a
6 house being constructed or built. We would simply
7 like to know how much it cost.

8 Q Are you suggesting that BellSouth does not
9 give you a tally at the end of the day to tell you how
10 much it cost?

11 A We're suggesting, again, that we would like
12 from BellSouth when requested an understanding and
13 something that supports the cost where we can
14 understand the cost of collocated space. We can't
15 seem to get past that. This is not the forum to try
16 to delineate the specificities of it, but we cannot
17 get a breakdown or detailed analysis of what costs are
18 incurred when we build-out and get charged with those
19 spaces, such as up front with the estimate. We pay
20 50% of an estimate but we don't pay 50% of detailed
21 dollars that actually go into the building of that
22 collocated space. We simply want to know something
23 more definitively.

24 Q Isn't the amount you pay up front trued up,
25 Mr. Mills?

1 **A** Again, yes it's trued up. But, again, you
2 charge me based on something mythical.

3 **COMMISSIONER CLARK:** Mr. Edenfield, I
4 understood him to say the detail isn't enough for them
5 to understand it. And I've sort of heard you ask him
6 that three times. If there's something else you're
7 getting at, I've missed it.

8 **MR. EDENFIELD:** I'm just making sure that
9 he's not suggesting the BellSouth is holding out
10 something that it otherwise has. But, if --

11 **WITNESS MILLS:** No, I'm not suggesting that.
12 We're seeking to understand.

13 **Q** **(By Mr. Edenfield)** Okay. You also
14 indicate that AT&T would like to be included in the
15 price development sessions. I assume that's for the
16 initial estimates that you just referred to?

17 **A** Yes. And, again, that's seeking to
18 understand.

19 **Q** Okay. How would you anticipate that ALECs
20 such as AT&T be involved in that process?

21 **A** Bring us into your development or planning
22 meetings, however you formulate those costs.

23 **Q** Okay. Would you anticipate that your
24 involvement would increase or could possibly increase
25 the amount of time it's going to take to get back with

1 an estimate?

2 A No, I would not.

3 Q If, in fact, it did result in additional
4 time, would you agree that BellSouth should be given
5 that time on its interval?

6 A No, I would not.

7 Q Even if AT&T increases the time it takes we
8 should not get credit for that?

9 A In the -- if we increase the time, I would
10 say -- I would strike my first denial and say, yes, if
11 we increase the time. But if we are a joint party to
12 the decision making and the discussion, I can't see
13 how we are going to increase the time because really
14 the first requirement for us being there is to
15 understand the process as to how you develop estimates
16 and true-up cost.

17 Q Let's talk about extraordinary circumstances
18 for a moment. Is it AT&T's position that the
19 intervals should be extended only when you have an act
20 of God?

21 A No, not extended. The context of that
22 question is, when should BellSouth have time -- extra
23 time and extra time should be given to BellSouth when
24 it's totally outside of BellSouth's control. And
25 certainly acts of God, such as discussed yesterday,

1 are outside of BellSouth's control such as tornados,
2 earthquakes, hurricanes. You don't control those.

3 Q Would you agree that there are circumstances
4 that could cause delay outside of BellSouth's control
5 that aren't necessarily acts of God?

6 A Certainly.

7 Q Would you then agree that in those
8 situations that BellSouth should be entitled to have
9 an extension of the time?

10 A Yes, if those particular circumstances
11 outside of BellSouth control has not been properly
12 planned or reviewed.

13 Q How about permit situations? Do you have
14 any familiarity with that?

15 A Yes, I have some familiarity with that.

16 Q Will you agree that in permitting situations
17 that once the application is made that it's out of the
18 hands of BellSouth, AT&T and everyone else except for
19 the person making the decision at the governmental
20 agency?

21 A No, I don't believe it's outside BellSouth's
22 control within that context because, again, you hire
23 the contractor or project managers that file for those
24 permits and they are within your control since you
25 have hired them to do work on your behalf.

1 **Q** You're suggesting that BellSouth's project
2 managers have some control over the governmental
3 agencies length of time they take?

4 **A** No. No, I'm not. But, again, as an attempt
5 yesterday was to discuss what other things might you
6 do. No one continues to status or update or follow
7 through permits. That seems like there's one area
8 that BellSouth seems not to have their subcontractors
9 in step on. No one seems to follow through on that
10 since permits continue to be an area of discussion and
11 possible delay. Certainly processes could be put in
12 place to identify what is occurring that cause these
13 unknowns and delays.

14 **Q** And you think establishing more processes is
15 going to cut down on the amount of time it takes to
16 get collocation implemented?

17 **A** In most cases when things are put to a
18 process, such as building cars, implementing networks
19 which AT&T and BellSouth does very well, yes, it does
20 cut down time. That's the whole intent of first
21 seeking to understand what steps are in the work
22 activities that look for a desired result.

23 **Q** One final topic I want to cover with you,
24 Mr. Mills, and that's the first-come, first-serve
25 methodology. That's on pages 18 through -- I guess,

1 through the end of your testimony. I'm not sure I'm
2 completely following AT&T's analysis here. You talk
3 about two scenarios for applying the first-come,
4 first-serve basis. Can you give me a little more on
5 that?

6 A Yes. Let me put it in a simple context and
7 hopefully it won't be drawn out. I believe in
8 first-come, first-serve and support what the rule and
9 order has given us. BellSouth and some others would
10 maintain that when applying for space or future
11 reservations of space there's some type of order
12 that's needed, would you not agree?

13 Q I'm sorry. I just ask them. I don't answer
14 them. That's the only privilege of being a lawyer.

15 A I'm sorry. I apologize. Well, for the
16 first set is that there's some type of order that is
17 needed and everyone is on a list and lists can become
18 cumbersome, and over time those ALECs that have
19 applied for said reservation requirements, the world
20 and the work of collocation is dynamic.

21 So within that first subset or that first
22 static group -- I will call it a static group --
23 there's a list of people that applied for collocations
24 and they wanted to reserve it. No space is available
25 or the product is being consumed; that is, the

1 collocated space. Who should get the space once all
2 has been consumed and new space is to become
3 available? In the first list of all the applicants is
4 that the first, second or third person on the list who
5 did not receive any space.

6 I'll stop and pause for a moment and say,
7 after a long period of time there's a second subset of
8 clients or customers that did not seek alternatives
9 and go in a different direction to meet their customer
10 requirements. They still need space and they were
11 still on that original reservation list. In
12 first-come, first-serve, who now is first in the
13 second subset?

14 Q Okay. That's where I want to focus. It
15 sounds like to me you're okay with first-come,
16 first-serve except in instances where the ILEC claimed
17 there was an exhaust and it was challenged. Is that
18 the only instance in which you're, what I call
19 traditional first-come, first-serve? That you're
20 differentiating from that?

21 A Yes, in the challenge.

22 Q Okay. What is it about the fact that there
23 was a challenge that should catapult someone from
24 further back in the line to the beginning of the line?
25 Not a meek should inherit the earth kind of a thing?

1 A It's that who continued to pursue the space.
2 You say there's a challenge and there's a contention
3 of who should get it now. Others certainly have
4 dropped out. Who is still there -- who are the
5 remaining requesters still challenging for that space
6 or asking for that space?

7 Q So are you suggesting that to remain on the
8 list in a first-come, first-serve basis you would have
9 had to have challenged the ILEC's contention that
10 there was a space exhaustion?

11 A Yes.

12 Q And if you did not want to undergo the
13 Commission time expense or just frankly agreed with
14 the ILEC, then you should be punished for that?

15 A Never punished. I don't suggest punishment.
16 I'm not here to contend that, no.

17 Q Would you not considered to be losing your
18 place in line to be a punishment if you're an ALEC?

19 A No. That's not punishment. I'm just saying
20 are you still pursuing the collocated space. I don't
21 in any way contended with the term punishment.

22 Q Okay.

23 A I don't understand.

24 Q Well, I thought you had just told me that if
25 you did not actively challenge the ILECs saying there

1 is an exhaust situation that you should be out of
2 line, you lose your spot. That only those who were
3 making wavered challenges should be allowed to stay in
4 line. Did I misunderstand that part of your
5 testimony?

6 A That's correct.

7 Q So --

8 A I don't contend -- I don't see that as
9 punishment.

10 Q No. What I'm suggesting is, suppose you got
11 one of the other ALECs in this room that after
12 BellSouth says, there is no more space, they accept
13 that.

14 A That was their choice.

15 Q They go through the walk through and they
16 say, "oh, it looks like BellSouth's right about this
17 one. We accept that, but we want to stay in line."
18 Another ALEC who may have been 12 back says, "well, I
19 just can't accept that. I'm going to challenge it."
20 And lo and behold, they do find some space. Now the
21 one who was first of line has now lost his place and
22 number 12 now gets to go get the space. Is that what
23 you're suggesting?

24 A Yes, I am.

25 Q Okay.

1 **MR. EDENFIELD:** Thank you. I've got no
2 further questions.

3 **CROSS-EXAMINATION**

4 **BY MS. CASWELL:**

5 **Q** Good morning, Mr. Mills. Kim Caswell of
6 GTE.

7 **A** Good morning.

8 **Q** Would you agree that every collocation
9 arrangement doesn't require the same amount of power?

10 **A** Yes.

11 **Q** And the ILEC wouldn't know how much power an
12 arrangement would need until the ALEC submits an
13 application for a collocation, correct?

14 **A** That's correct.

15 **Q** So, when you testify that power plant
16 additions and upgrades are known and planned well in
17 advance, are you referring only to those upgrades
18 occasioned by the ILEC's own power requirements?

19 **A** Yes.

20 **Q** Okay. Thank you.

21 **MS. MASTERTON:** Sprint has no questions.

22 **COMMISSIONER DEASON:** Staff.

23 **MR. MELSON:** Commissioner Deason, I've got
24 one question I'd like to ask as a follow-up to some
25 cross-examination by BellSouth.

1 **COMMISSIONER DEASON:** Is it
2 cross-examination or is it redirect?

3 **MR. MELSON:** I think it's cross-examination
4 because --

5 **COMMISSIONER DEASON:** If you want to
6 cross-examine this witness, you should have gone
7 before BellSouth. You should have notified me of
8 that, Mr. Melson. I think the procedure and I'm not
9 sure that -- I'm going to allow you to ask the
10 question, but then if there's an objection we will
11 entertain it.

12 **MR. MELSON:** Fine. I'm going to ask Ms.
13 McNulty -- and it's just one question. I'm going to
14 ask her to hand the witness a copy of the
15 Telecommunications Act of 1996, Section 251(C)(6)
16 which deals with collocation.

17 **CROSS-EXAMINATION**

18 **BY MR. MELSON:**

19 **Q** Mr. Mills, you were asked a question about
20 the FCC's definition of premises contained in the Code
21 of Federal Regulations. Do you recall that?

22 **A** Yes, and I was given a copy.

23 **Q** Looking at Subsection (C)(6), does that
24 refer to collocation in a premises or does it refer to
25 collocation at a premises?

1 **MR. EDENFIELD:** Commissioner Deason, I'm
2 sorry. This is nothing more than redirect.

3 **COMMISSIONER DEASON:** I agree. I will not
4 allow the question and the witness is instructed not
5 to answer the question.

6 **MR. MELSON:** Thank you.

7 **COMMISSIONER DEASON:** Staff.

8 **CROSS-EXAMINATION**

9 **BY MS. KEATING:**

10 **Q** Good morning, Mr. Mills. I just have one
11 point of clarification, and it's on something that
12 Mr. Edenfield touched on and I just want to make sure
13 I didn't misunderstand your position. You were
14 talking about FCC Rule 51.321(h) and the ten day
15 response requirement. Did you indicate that you
16 believe that that rule is applicable to responses to
17 initial applications for collocation?

18 **A** Yes.

19 **Q** Do you happen to have a copy of the advanced
20 services order with you?

21 **A** Not with me here.

22 **Q** Could I ask you to turn to Paragraph 54?

23 **A** I have it.

24 **Q** Before I ask you to take a look at that, let
25 me just be clear. 51.321(h) was actually implemented

1 by this order; is that correct? In other words, that
2 rule did not exist until this order?

3 A That's correct.

4 Q Could I ask you to read the last sentence of
5 Paragraph 54?

6 A "Several State Commissions have taken
7 significant steps to lesson the time periods within
8 which incumbent LECs provision collocated space --"

9 Q Actually, Mr. Mills, the very last sentence
10 that starts with "because".

11 A In Paragraph 54?

12 Q Yes.

13 A Oh, I'm sorry. "Because of the importance
14 of ensuring timely provisioning of collocation space,
15 we encourage State Commissions to ensure that
16 incumbent LECs are given specific time intervals
17 within which they must respond to collocated
18 requests."

19 Q Thank you. In light of that statement, do
20 you still agree that Rule 51.321(h) is applicable to
21 applications for collocation space?

22 A Okay. Two parts. No, not just to the
23 application.

24 Q Thank you. That's all that I have.

25 **COMMISSIONER DEASON:** Commissioners.

1 Redirect.

2 **MR. HATCH:** Just a couple, Mr. Chairman.

3 **REDIRECT EXAMINATION**

4 **BY MR. HATCH:**

5 **Q** Mr. Mills, have you ever been inside of a
6 central office?

7 **A** Yes, I have.

8 **Q** Are you familiar with central office
9 equipment?

10 **A** Yes, I am.

11 **Q** Transmission equipment? Switching
12 equipment?

13 **A** Yes, I am.

14 **Q** And support functions of power, HVAC and the
15 other support functions?

16 **A** Yes, I am.

17 **Q** Are you familiar with the equipment that
18 CLECs place in central offices?

19 **A** Yes, I am.

20 **Q** Thank you.

21 **MR. HATCH:** I have no further questions.

22 **COMMISSIONER DEASON:** Okay. We have no
23 exhibits. Mr. Mills, you maybe excused.

24 **WITNESS MILLS:** Thank you.

25 **COMMISSIONER DEASON:** That's the last

1 witness. Staff, final matters.

2 **MS. KEATING:** Actually, I was going to point
3 out the time for filing briefs.

4 **COMMISSIONER DEASON:** You need to remember
5 that we're one day behind schedule already.

6 **MS. KEATING:** And in light of that, I was
7 going to suggest, in order to lesson the court
8 reporter's burden a little bit, a slight extension on
9 getting the transcripts filed. So I was going to
10 suggest maybe that briefs not be required until
11 February the 12th.

12 **COMMISSIONER DEASON:** Any objection to
13 briefs being filed on February the 12th?

14 **COMMISSIONER CLARK:** That's a Saturday, I
15 think.

16 **COMMISSIONER DEASON:** That is a Saturday.

17 **MS. KEATING:** Then February the 14th.

18 **COMMISSIONER DEASON:** That's Valentine's
19 Day.

20 **MS. KEATING:** Still a working day for the
21 state.

22 **COMMISSIONER DEASON:** When do you -- when do
23 we anticipate transcripts being filed? Have you
24 spoken to the --

25 **MS. KEATING:** I have not, but I do

1 understand that since we have gone an extra day it may
2 be difficult for them to get them in by the 20th,
3 which is next week. I was just going to suggest
4 another couple of days.

5 **COMMISSIONER DEASON:** Any objection to
6 February 14th being the date for briefs? Very well.
7 Any other final matters from any of the parties?

8 **COMMISSIONER CLARK:** I have a question.
9 When is this on agenda? Is it on agenda or is it a
10 special agenda?

11 **MS. KEATING:** This is scheduled for a
12 regular agenda at this time.

13 **COMMISSIONER CLARK:** What day?

14 **MS. KEATING:** March 28th.

15 **COMMISSIONER CLARK:** Okay. Thanks.

16 **COMMISSIONER DEASON:** Okay. Hearing nothing
17 further, this hearing is adjourned. Thank you all for
18 your participation and patience.

19 (Thereupon, the hearing concluded at
20 11:50 a.m.)

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