Kimberly Caswell
Counsel

GTE SERVICE CORPORATION
One Tampa City Center
201 North Franklin Street (33602)
Post Office Box 110, FLTC0007
Tampa, Florida 33601-0110
813-483-2606
813-204-8870 (Facsimile)

February 14, 2000

Ms. Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth's service territory

Docket No. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for Generic Investigation into Terms and Conditions of Physical Collocation

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of GTE Florida Incorporated's Posthearing Statement for filing in the above matters. Also enclosed is a diskette with a copy of the Posthearing Statement in WordPerfect 5.0 format. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing, please contact me at (813) 483-2617.

Sincerely,

Kimberly Caswell/dm

Kimberly Caswell

KC:tas
Enclosures

AFA
APP
CAF
CMU
CTR
EAG
LEG 2
MAS 3
OPC
RRR
SEC 1
WAW
OTH

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 Physical Collocation	)	Docket No. 990321-TP Filed: February 14, 2000

ORIGINAL

GTE FLORIDA INCORPORATED'S POSTHEARING STATEMENT

GTE Florida Incorporated (GTE) files its Posthearing Statement, in accordance with the Order Establishing Procedure in this Docket. (Order No. PSC-99-1991-PCO-TP, Oct. 12, 1999.)

GTE'S BASIC POSITION

All of the alternative local exchange carriers (ALECs) in this proceeding advocate tariffing of collocation arrangements as a way to introduce greater speed and certainty into the collocation process. (*See, e.g.*, Moscaritolo, Tr. 854; Nilson, Tr. 997; Gillan, Tr. 1051-52, Jackson, Tr. 1150.) GTE has agreed to adopt this approach. It has filed a state tariff standardizing rates for all of GTE's collocation options, including cageless collocation, for carriers with interconnection agreements with GTE.[1] The tariff will help reduce the

[1] GTE's tariff complies with the FCC's Rules. GTE does not, however, agree with the FCC's collocation rules and has challenged them in federal court. If those rules are stayed, vacated, or modified, GTE preserves its right to amend the terms and conditions of its tariff.

entrant's time to market because it eliminates the usual two-step process, in which the ILEC first provides the ALEC a response as to space availability, then develops a price quote for the collocation arrangement on an individual case basis (ICB).

While GTE has been able to compress collocation provisioning time through the tariff process, the ALECs' further proposals for slashing provisioning intervals are plainly unrealistic. In particular, there is no support for establishing the same intervals for virtual and cageless physical collocation. Cageless collocation is a physical collocation offering. At the hearing, ALEC after ALEC admitted that there are no inherent differences between caged and cageless collocation, except for the presence or absence of a cage. That single distinction certainly does not warrant cutting the 90-day physical collocation provisioning interval to 60 days or even less for the cageless option, as the ALECs propose. Cage construction is not a principal factor driving time for site preparation, and caged and cageless arrangements are the same in all other regards. As such, the Commission should apply its 90-day provisioning interval for physical collocation to cageless, as well as caged, arrangements.

GTE also urges the Commission to reject the ALECs' proposals to significantly expand, or even deviate from, the FCC's collocation rules. In this regard, the Commission should not require ILECs to move administrative personnel to create collocation space; to build or prepare collocation space in advance of any collocation request; to allow ALECs or their contractors to perform work in common areas of the central office; or to provide arrangements (such as "off-site adjacent collocation") that the FCC never contemplated and that have no sound policy basis.

Finally, GTE advocates a flexible space reservation policy that accommodates the diversity in carriers' planning processes and in the kinds of equipment that are placed in ILEC central offices. As long as ILECs and ALECs can reserve space on the same terms, there should be no arbitrary constraints on the period for which they can do so.

GTE'S SPECIFIC POSITIONS

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

** Under GTE's tariffed approach, GTE will tell the ALEC within 15 days whether the requested space is available and provide a price quote for the collocation arrangement. GTE's response includes all the information necessary to place a firm order. The Commission should allow GTE to maintain this procedure, which no party has opposed. **

Regardless of any generic response timeframes the Commission might adopt, GTE should be permitted to maintain the response procedures dictated by its tariff. Pursuant to tariff, GTE will provide both space availability and price quote information to the ALEC within 15 days of its application submission. At that point, the ALEC will have all of the information it needs to place a firm order for the collocation. (Ries DT at 6-7.)

This is a change from GTE's previous, lengthier, two-step response process, in which the Company first provided space availability information, then developed an ICB price quote. (Ries, Tr. 446.) The tariff approach will allow GTE to reduce its response time, and thus collocation provisioning intervals. This is one of the benefits the ALECs cite in their uniform advocacy of collocation tariffing. (*See, e.g.*, Levy, Tr. 921, 935.)

No party in this proceeding has taken issue with the 15-day response time GTE has adopted. There is, therefore, no evidence to justify any modifications to GTE's response procedures.

Issue 2: If the information included in the ILEC's initial response is not sufficient to complete a firm order, when should the ILEC provide such information or should an alternative procedure be implemented?

** GTE's response will include all the information the ALEC needs to place a firm order. Thus, no alternative procedure is necessary for GTE. **

As explained above, the move to collocation tariffing will allow GTE to provide a relatively more rapid and complete response to ALEC collocation applications. The tariff obviates the need for a bifurcated response; rather, GTE will give the ALEC a single response, including the space availability and pricing information the ALEC needs to place a firm order. Thus, there is no need for any alternative response procedure in GTE's case.

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

** In general, the FCC defines "premises" to encompass ILEC buildings housing its network facilities. The concept of collocation does not apply beyond the ILEC's premises. **

For purposes of collocation, the FCC defines "premises" as an ILEC's "central offices and serving wire centers, as well as all buildings or similar structures owned or leased by an incumbent LEC that house its network facilities, and all structures that house incumbent LEC facilities on public rights-of-way, including, but not limited to, vaults containing loop concentrators or similar structures." (FCC Rule 51.5.)

Applying the FCC's definition, any location identified in GTE's federal NECA #4 tariff (listing GTE sites nationwide) would be available for collocation. Real world applications of the FCC's premises definition must be, of course, tempered by common sense. For instance, in a multistory GTE building, ALECs may be permitted to collocate on a floor other than that which houses network equipment, but only if space is available. (Ries DT at 4.)

Under the Telecommunications Act of 1996 (Act) and the FCC's Rules implementing the Act, collocation is limited to the ILEC's premises. (Act sec. 251(c)(6).) As explained below, any arrangement off the ILEC's premises is not collocation.

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

** The ILEC's obligation to interconnect under the Telecommunications Act of 1996 does not change whether the ALEC's equipment is located on or off the ILEC's premises. However, it is a contradiction in terms to refer to equipment off the ILEC's premises as "physical collocation equipment." Physical collocation can occur only at the ILEC's premises. **

The ILEC's obligations to interconnect under the Act do not change depending on whether the ALEC's equipment is on or off the ILEC's premises. The Act requires all telecommunications carriers to interconnect directly or indirectly with the facilities of other telecommunications carriers. (Ries DT at 4.)

While interconnection can occur beyond the boundaries of the ILEC's premises, these arrangements are not collocation, so there can be no "collocation equipment located 'off-premises,' as the Issue suggests. Under the Act and the FCC's rules, collocation obligations do not apply beyond the ILEC's premises. (See discussion in response to Issue 3.)

The prefix "co" means "together." All forms of collocation authorized by the FCC require the ILEC and ALEC to be located together in the same place—at the ILEC's premises. The Act plainly states that collocation obligations are limited to "the premises of the local exchange carrier" (Act sec. 251(c)6). Any arrangement that does not involve the ILEC and ALEC locating together at the ILEC's premises is not collocation, and is not required under the Act or the FCC's Rules implementing the Act.

In this regard, the Commission must reject Rhythms Links' recommendation for the Commission to order so-called "adjacent off-site collocation." (Williams DT at 3.) Under the arrangement discussed at the hearing, the ALEC builds or obtains a structure off the ILEC premises, and the ILEC runs copper cables to that structure—that is, to the ALEC's premises. (Tr. 291-92, 798.) Because no ILEC premises are involved, there is no collocation. (Milner, Tr. 277; Hunsucker, Tr. 575-76.) This arrangement is, rather, a form of interconnection without collocation. (Hunsucker, Tr. 575-78).

Even aside from the fact that Rhythms Links ignores the ILEC "premises" condition for collocation, the arrangement it describes could not be considered adjacent collocation in any event. Under the FCC's Rules, adjacent collocation is a type of physical collocation made available when there is no room "inside" the ILEC's premises (but when there is room outside the premises.) (Deployment of Wireline Services Offering Advanced Telecommunications Capability (Advanced Services Order), CC Dkt. No. 98-147, FCC 99-48, at para. 44.) In an adjacent collocation situation, the ILEC "must provide power and physical collocation services and facilities, subject to the same nondiscrimination requirements as applicable to any other physical collocation arrangement." (FCC Rule 51.323(k)(3).) Certainly, an ILEC cannot provide power and other physical collocation facilities at any premises other than its own; MCI's Mr. Martinez recognizes that an ALEC in an "off-site adjacent collocation" situation would provide the necessary power and HVAC. (Martinez DT at 9.) In short, there is no plausible way to force so-called "adjacent off-site collocation" into the collocation parameters established by the Act and the FCC's Rules.

Although GTE would not call it adjacent off-site collocation, GTE has provided, in certain limited instances, the kind of copper interconnection described at the hearing. (Ries, Tr. 462.) GTE will continue to consider such requests when they are technically feasible. In many cases, they will not be because of the relatively large size of copper cable and the fixed amount of capacity in the cable entrance facility. (Milner, Tr. 292-93.) But, once again, the point for purposes of this proceeding is that the Commission cannot compel carriers to provide such arrangements as a form of collocation. Because "off-site collocation" is not collocation at all, GTE's providing this arrangement elsewhere does not create any presumption that is a technically feasible form of collocation that must be deployed here, as Mr. Martinez suggests. (Martinez DT at 8-9.) Nor is such an arrangement required under the FCC's interconnection rules. As Mr. Milner pointed out, the ALEC's equipment in this situation would be interconnected to the ILEC's equipment as if it were in the ILEC's central office. Since the ILECs are not required to accommodate requests for non-fiber-optic facilities to be placed in their entrance facilities, they cannot be required to honor such requests for placement non-fiber-optic facilities outside the central office. (Milner, Tr. 278.)

In support of their position, the ALECs pointed to an apparent Texas finding that SWBT's collocation tariff should include "off-site adjacent collocation." (Martinez DT at 7-9.) This tack is unconvincing. GTE is not familiar with the details of the Texas proceeding, other than those the ALECs have offered in this proceeding. However, even reviewing that limited information, it is clear that the Texas Commission has erred in interpreting the FCC Rules. It notes, for instance, that the FCC has not restricted adjacent collocation to ILEC premises. (Ex. 15, first page.) This is incorrect, for the reasons

discussed above. Adjacent collocation is, under the plain language of the FCC's Rules, a physical collocation arrangement. The ineptly named off-site adjacent collocation is not physical collocation precisely because it is not on the ILEC's premises and the ILEC does not provide any of the power or other facilities, as required by the FCC for physical collocation arrangement. In short, this Commission is certainly not obliged to follow bad precedent from other states—indeed, it cannot do so in this instance, because that precedent contravenes FCC Rules.

Issue 5: What terms and conditions should apply to converting virtual collocation to physical collocation?

** The procedures that apply to a new physical collocation should generally apply to conversions to physical collocation, as well. In both cases, the ILEC will need to do the same site assessment and preparation. Because each virtual arrangement is different, requests for "in-place" conversions should be addressed on a case-by-case basis. **

Physical and virtual collocation are fundamentally different products, requiring different kinds of site preparation. Whether it is a new arrangement or a conversion, each request for physical collocation will require the same site kind of site analysis, engineering and preparation. (Ries DT at 5, RT at 8-9; Hendrix, Tr. 66.) In general, then, if an ALEC with virtual collocation wishes to convert to physical—whether caged or cageless--it should follow the same standard process that applies to a new request.

The most contentious aspect of the conversion issue has been conversion from virtual to cageless physical. The ALECs contend that such conversion can be effected almost immediately and effortlessly, without any need to relocate or reconfigure equipment. They seek a ruling requiring "in-place" conversion of virtual to physical, at the ALEC's discretion. Intermedia even proposes that the ILEC should perform such conversions for free. (Jackson, Tr. 1141.)

GTE does not believe the Commission can adopt a policy mandating in-place conversions. Such action would contravene the ILEC's right, affirmed by the FCC, to safeguard its own equipment—including the right to enclose that equipment: "The incumbent LEC may take reasonable steps to protect its own equipment, such as enclosing the equipment in its own cage, and other reasonable security measures." (Advanced Services Order at para. 42.)

Virtual collocations are typically placed within the ILEC's equipment line-up. (Hendrix, Tr. 28.) Network security is not a significant issue in this situation because the ILEC owns and maintains the virtually collocated equipment. Once the virtual arrangement is converted to cageless physical, however, the ALEC will own, maintain, and have free access to it. If the ALEC's equipment is commingled with the ILEC's, the ILEC cannot exercise its right to enclose or otherwise separate its equipment from the ILEC's. Thus, GTE believes that a blanket rule requiring in-place conversions would be impermissible under federal rules, as well as bad policy from a network security standpoint. Indeed, even Mr. Martinez pointed out that MCI prefers caged over cageless collocation "because of the security that the cage affords us." (Martinez, Tr. 746.) GTE, too, believes that cages can provide a greater degree of security, which is a particularly serious consideration for the carrier of last resort.

Because each virtual collocation is different, the only workable approach is to maintain the current GTE policy of reviewing each virtual-to-in-place-cageless request on a case-by-case basis. In some instances, such conversion requests can be granted. In others, such as where the ALEC's equipment is commingled with the ILEC's, they cannot be, and the equipment will need to be moved. (Ries RT at 9.)

In any event, the Commission should not be misled by ALEC arguments that conversion of virtual to cageless collocation is simply a matter of reversing the ownership of the virtually collocated equipment. (Gillan DT at 10.) For instance, since virtual collocations are maintained by the ILEC, the equipment and all circuit assignments are reflected in the ILEC systems, so that conversion will require ordering and processing activities on the ILEC's part.

Indeed, GTE expects that once ALECs start to consider the practicalities of in-place conversion of specific arrangements, they will likely realize it isn't as simple, even for them, as their assertions in this proceeding indicate. For example, one of the advantages the ALECs cite for in-place conversion is eliminating the need for any equipment reconfiguration or takedowns of service. GTE disputes this assumption. For instance, with a virtual arrangement, the ILEC provides maintenance and monitoring of the equipment. When the conversion to cageless occurs, the ALEC will need to take on these responsibilities, such that the virtual equipment will need to be disengaged from GTE's network and connected to the ALEC's network. (Ries, Tr. 480.)

Finally, GTE urges the Commission to keep the in-place conversion issue in its proper perspective. Although such conversions were a prominent topic of debate in this proceeding, the level of likely virtual to cageless conversion activity does not indicate a significant need for any generic rules. There are only 17 virtual collocation arrangements in GTE's service area, and there have been no requests to convert them to cageless physical arrangements. (Ries, Tr. 502.) Indeed, since a virtual collocation is likely to involve different, and in most cases, less, equipment than a physical arrangement, GTE does not anticipate that in-place conversion would even be desirable in most cases. As

Mr. Hendrix testified, a customer wishing to convert from virtual to physical usually plans to bring in additional equipment or make other changes. (Hendrix, Tr. 73, 79.) In addition, if the ALEC wishes to add DSX panels and associated wiring to permit equipment testing, relocation of the equipment may involve less downtime than conversion in place. (Ries, Tr. 480-81.) All of these factors further recommend against deviating from case-by-case reviews of in-place conversion requests.

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

** It depends upon the type of change requested. Requests for major changes requiring more space, power, or the like are treated like new collocation applications. Requests for minor changes within the parameters of the original application will not require a new application and will generally be processed more quickly. **

GTE should be permitted to maintain its current procedures, which vary with the type of change requested. Specifically, GTE distinguishes between major and minor augments. (Ries, Tr. 463.) If the change requested is within the parameters of the original collocation application in terms of power, amount of heat generated, and space, then it is considered a minor augment. Consistent with the ALECs' wishes (Martinez DT at 5), such minor augments can be effected through notice to GTE, without the need for a formal application. If the augment requires GTE to perform a service or function on the ALEC's behalf (for example, pulling cable for ALEC-to-ALEC interconnects, DS0, DS1 and DS3 facility terminations, and virtual circuit card installations), then a fee will apply. GTE does not require a fee for augments performed solely by the collocator (for example, installing additional equipment in its own cage). (Ries RT at 7-8, Tr. 463.)

If a minor augment does not require the ILEC to do any physical work, then the provisioning interval issue is moot; the ALEC will control its own provisioning interval. In

other cases, the ILEC will work with the ALEC to complete the change as quickly as possible. Since every change request is different in terms of the work required of the ILEC, it would be impossible to impose a uniform provisioning interval for such changes. Turning to major augments, these are modifications outside the parameters of the original collocation application. They may involve more space, more power, or more heat to be generated by the ALEC's equipment. GTE treats major augments like new collocation applications because they involve the same kind of considerations and analysis with regard to impacts on power, heating and cooling, cabling, space, and the like. While it will not take the full 90-day physical collocation period to complete all major augments, again, no standard interval can be applied. Major augments can vary widely in the amount of work they require. At least some ALECs would agree that the provisioning interval will depend on the type and nature of the augment. (Levy, Tr. 924.) GTE will continue to work with ALECs in a timely manner to complete any changes. (Ries RT at 8.)

Issue 7: What are the responsibilities of the ILEC and collocators when: a collocator shares space with, or subleases space to, another collocator; a collocator cross-connects with another collocator?

** ALECs in shared and subleased collocation arrangements may order interconnection services directly from the ILEC, but participants must designate a host ALEC responsible for ordering and payment for other services. ILEC and ALEC responsibilities as to cross-connects will depend on whether such arrangements traverse common areas. **

Shared Collocation

GTE has two categories of shared collocation arrangements. Shared caged collocation refers to a new arrangement in which two or more ALECs share caged space. In a subleased collocation arrangement, vacant floor space in an already existing caged collocation area of one ALEC is leased to one or more other ALECs. In both cases, the ALECs themselves determine the terms and conditions of their joint occupancy, within the

general guidelines set by GTE.

GTE witness Ries' testimony includes a detailed statement of the respective responsibilities of the ILEC and ALECs in shared and subleased collocation arrangements. (Ries DT, Ex. A.) Among these responsibilities, GTE believes that only one has provoked significant controversy in this proceeding, and that is the requirement for joint collocators to designate a "host ALEC" to handle the ordering and payment for all non-telecommunications-type services required by the guest collocators.

Under the FCC's Advanced Services Order, an ILEC must permit each ALEC to order UNEs directly from each ALEC in shared or subleased arrangements. (Advanced Services Order at para. 41.) However, as even Mr. Williams admitted, it is not required to bill each ALEC separately for other services, such as power, HVAC, and the like. (Williams, Tr. 816.) For these services, ILECs, including GTE, typically require the jointly collocated ALECs to choose a host ALEC to coordinate ordering and payment. But the ALECs in this proceeding complain that the ILEC should deal directly with each ALEC for billing, equipment placement requests, and the like. (*See, e.g.*, Martinez DT at 5.)

Once again, the ALECs ignore the complexities their proposal presents for the ILEC. Separate billing of each ALEC for its share of these non-UNE, non-interconnection services would, of course, mean more work and expense for the ILEC, along with the possibility of administrative and billing errors. (Hendrix, Tr. 84.) But even aside from the additional administrative burden, separate billing will force the ILECs to become familiar with the terms of the shared collocators' contracts. This will be necessary if GTE is to properly allocate charges among such collocators, to avoid running afoul of any provision in the contracts, and to avoid situations where the guest asks to do something without the

host knowing it. (Hendrix, Tr. 102-04.) Moreover, shared arrangements may well change over time. Particular ALECs may be added to an arrangement and others may leave, perhaps to be replaced by still others. If GTE must bill each ALEC, it must also keep track of these various permutations of the arrangement for billing purposes. As Mr. Williams acknowledged, the ILEC would have to track all of the changes in the arrangement to make sure it was billing the right entity and allocating shares correctly. (Williams, Tr. 817.) In short, the ILEC would be placed in the position of shouldering additional responsibility—and additional potential liability—solely because of the ALECs' own decision to collocate together.

This is unfair. Shared collocation is no different from, for example, a sublease arrangement for an apartment, where a sublessor is ultimately responsible for ensuring sublessees' rent payment. Because the ALECs themselves have chosen a shared occupancy, they should be expected to accept the responsibilities that are customarily associated with such arrangements. Designating one party to administer the shared space is one such responsibility.

In any event, the host will necessarily remain closely involved with its guests' activities. If the guest, for instance, seeks to add equipment, the host must be aware of the change, since it will affect the hosts' (and other guests') ability to make additional changes within the parameters of the original application. Because the host will need to closely monitor changes in equipment, occupants, and the like in the space, anyway, it is not unreasonable to expect it to issue bills that are consistent with its own records

ALEC Cross-Connections

A CLEC-to-CLEC interconnection arrangement is the interconnection of an ALEC's

equipment in a cage, bay or cabinet to another ALEC's equipment in the same or a different cage, bay, or cabinet within the central office. Mr. Ries' Direct Testimony includes a detailed statement of the guidelines that GTE applies to ALEC-to-ALEC interconnection arrangements. (Ries DT at Ex. B.) GTE wishes to retain these guidelines.

GTE does not believe any party here has opposed GTE's cross-connect policies. The ALECs appear to be most interested in cross-connect application procedures and prices. In this regard, GTE will not charge for cross-connects performed by the CLECs themselves. It will only assess a fee for work required of GTE. No application will be necessary for cross-connects performed within the ALECs' own space; notification to GTE will be sufficient. For cross-connects that require work outside an ALEC space, an appropriate application will be required.

Issue 8: What is the appropriate provisioning interval for cageless physical collocation?

** Cageless collocation is a physical collocation offering. Except for the absence of a cage, it is no different from traditional, physical collocation. As such, there is no reason to deviate from the existing 90-day provisioning interval this Commission has established for physical collocation. **

This Commission's guidelines require ILECs to provision physical collocation within 90 days of an ALEC's firm order. (Notice of Proposed Agency Action etc., Order No. PSC-99-1744-PAA-TP at 14, Sept. 7, 1999.) Cageless collocation is a type of physical collocation. Other than the presence or absence of a cage, the ALECs themselves could not cite any inherent differences between caged and cageless physical collocation. (Closz, Tr. 661-63; Martinez, Tr. 747; Jackson, Tr. 1148; Mills, Tr. 1203.) The same type of equipment is placed in both arrangements, (Williams, Tr. 814; Levy, Tr. 942-43) and the same type of work—minus the cage for cageless—will be necessary to provision both arrangements. Thus, there is no justification for a shorter provisioning interval for the

cageless variant of physical collocation.

The ALECs' proposals to require cageless collocation provisioning intervals of 60 days or less find no support in the record. In particular, the ALECs' attempts to analogize cageless to virtual collocation are ill founded. Virtual collocation is a fundamentally different offering from physical collocation. In a virtual collocation situation, the ILEC owns and maintains the collocated equipment. In a physical collocation situation—whether it is caged or cageless—the ALEC owns, maintains, and has access to, the collocated equipment. (Mills, Tr. 1204.) In addition, the equipment placed in a virtual collocation is usually less extensive than that involved in a physical arrangement. As Mr. Mills stated, virtual arrangements have different equipment footprints than cageless collocations. (Mills, Tr. 1204-05.) Virtual arrangements, moreover, generally involve transmission, as opposed to switching, equipment. (Closz, Tr. 665; Mills, Tr. 1204-05.) There are definite grounding, power, heat, and other differentials as between transmission and switching equipment. (Mills, Tr. 1205.) These differences in the nature of physical and virtual collocation mean that the tasks relating to provisioning are significantly different, such that a shorter provisioning interval for virtual is warranted.

This reduced provisioning interval is not justified for cageless collocation because the ILEC will need to do the same space preparation and infrastructure work for all physical collocations—both caged and cageless. (Hendrix, Tr. 33.) For each physical collocation request, the ILEC must assess space availability; power requirements; heating, ventilation and air conditioning impacts; cable racking requirements; cable termination requirements; available cable routes; and cable length estimates, in accordance with the ALEC's requirements reflected in the application. (Ries RT at 5.) As noted, the only

difference between the two is the cage, and cage construction does not drive the provisioning interval for caged collocation. In fact, it is just one step among approximately 85 steps necessary to prepare a caged arrangement. (Hendrix, Tr. 32-33; 66.) Contrary to the ALECs' apparent beliefs (*e.g.*, Levy DT at 14; Closz DT at 15), cage construction is not an intensive or time-consuming task. In fact, the cage is typically provisioned in parallel with the other collocation components. (Ries RT at 6; Hendrix, Tr. 175.) Certainly, the absence of a cage in a cageless arrangement does not justify reducing the provisioning interval by 30 days or more, as some ALECs suggest. (*See, e.g.*, Strow DT at 8; Martinez, Tr. 720; Williams, Tr. 797; Levy, Tr. 940.)

Given that even the ALECs can cite no differences, other than the cage, between caged and cageless, their advocacy of a reduced provisioning interval is irrational, and any decision based on their recommendations would be arbitrary and capricious. The ALECs have not proved that cage construction takes 30 days, and were not able to rebut ILEC testimony that cage construction occurs in conjunction with other site preparation tasks. Rather, their position is based merely on a feeling that cageless should not take as long as caged to provision. This is not a legally sufficient basis for an order imposing a shorter provisioning interval for cageless collocation than for caged.

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

** The most appropriate demarcation point is the ALEC-provided block that connects to the main distribution frame or a digital signal cross-connect panel. While GTE favors a flexible approach to defining demarcation points, ALECs must never be permitted to access the main distribution frame. **

The ALECs in this case adopt widely varying views as to the appropriate point of demarcation between ALEC and ILEC equipment. Mr. Levy, for example, argues that a

POTS bay is the "only way to establish a demarcation point" between the ALEC and the ILEC. (Levy DT at 15.) On the other hand, Rhythms Links' Mr. Williams contends that intermediate arrangements such as POTS bays drive up the ALEC's interconnection costs. (William DT at 13.)

GTE believes that differing ALEC viewpoints and differing central office configurations demand a certain amount of flexibility in demarcation point determination. GTE considers the ALEC's designated block on the main distribution frame (MDF) to be the most appropriate demarcation point in most situations. GTE does not require POTS bays and, in fact, believes they may introduce a potential source of failure into the network. However, GTE is willing to consider deployment of POTS bays in particular circumstances where there is no other practical option. (Ries RT at 19.) And GTE will allow the ALEC to use a POTS bay in its own collocation space, with GTE providing cabling to that space and the ALEC terminating the cables there as it sees fit. (Ries, Tr. 484.) In general, GTE favors a cooperative approach between the ALEC and ILEC in recognizing where the ALEC's network ends and where the ILEC's begins.

GTE does not, however, agree with MCI's Mr. Martinez that the FCC requires the ILEC to permit the ALEC to unilaterally dictate the demarcation point. Mr. Martinez seems to confuse the process of designating a demarcation point with the ILEC's obligation to interconnect at a technically feasible point. (Martinez DT at 4.) Demarcation is an entirely different matter from interconnection.

One point, in particular, about which GTE is not flexible is ALEC access to the ILEC's MDF. The MDF contains thousands of jumpers that connect numerous pieces of central office equipment. Just keeping accurate records of these jumpers is an onerous

task, which would be unduly complicated by having others work on the MDF. In addition, allowing ALECs or their contractors to access the MDF to perform their own wiring raises serious network security and reliability considerations. (Ries RT at 19-20.) GTE considers work on the MDF to be so sensitive that GTE does not contract it out. (Ries, Tr. 487.) Given these factors, it is not reasonable to expect the ILECs to allow ALECs to connect directly to the MDF.

Issue 10: What are reasonable parameters for reserving space for future ILEC and ALEC use?

** ILECs and ALECs alike should be allowed to reserve the amount of space they can support by a documented, funded business plan. Given differing planning intervals, a uniform period for space reservation is inappropriate. **

An ILEC or ALEC should be able to reserve the amount of space it can support with a documented, funded business plan, which would include a date by which the space will be occupied. Additionally, ALECs reserving space should be charged for it, just as GTE is required to pay for utilities, taxes and maintenance on any vacant space in its central offices. Finally, as a condition of space reservation, ALECs should be required to install their cage or bay at the time of reservation. This will ensure that the proper spacing between cages and/or bays is maintained and will facilitate the provisioning of future collocation requests. (Ries DT at 13.)

A reasonable space reservation policy is important to companies' ability to deploy resources in the most efficient manner possible. For carriers of last resort, like GTE, the ability to reserve space on workable terms is critical if all consumers are to be served with up-to-date technology. Different carriers can be expected to employ different planning periods and to commit funding to projects on different timelines. In addition, space reservation needs will be driven, at least in some cases, by the type of equipment to be

deployed. Switch upgrades, for example, tend to demand a longer planning horizon than transmission equipment. Switching and power require contiguous space for growth, while transmission does not. (Ries, Tr. 448-49.)

Because of the variability in company plans and the large range of equipment that a carrier might deploy, it is unreasonable to establish a standard period for space reservation, as some suggest (*see, e.g.*, Martinez, RT at 14, 2 years; Hunsucker, Tr. 584, 1 year), or to forbid any space reservation, as Mr. Levy recommends (Tr. 928). Indeed, even though Sprint would allow space reservation for only a year, it nevertheless recognizes that "LECs certainly employ longer planning periods." (Ex. 2, Item 1a.)

Some ALECs have criticized GTE's space reservation approach on the grounds that it will deny space to carriers with immediate needs. GTE believes this fear is unfounded. It is important to remember that space reservation will only become an issue if there is no remaining space in a particular office. There is no need to document a plan to reserve space if the office has not reached exhaust. (Ries, Tr. 499.) When that point is reached in a particular site, only then would a carrier (either the ILEC or the ALEC) need to show convincing proof of its need for the space it has reserved. (Ries, Tr. 465, 496-98.) Unreasonably long-range plans with no funding will not be sufficient to continue to reserve space. Instead, the space will be forfeited to a new entity.

If an ILEC or an ALEC cannot reserve space sufficient to meet its needs for the foreseeable future, then its customers may go unserved. This is a particularly serious consideration with regard to carriers of last resort, which may serve customers that no one else will. The best approach, then, is to allow all companies to reserve space for which they can document a financial commitment. This flexible policy accommodates the myriad

planning and equipment variables that cannot be addressed by specific conditions, and it is strictly nondiscriminatory as between ILECs and ALECs.

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

** No. Generic parameters for use of the ILEC's administrative space are infeasible. Because each central office is different, the reasonableness of the ILEC's use of space should continue to be assessed on a case-by-case basis. **

It would be futile to try to develop generic parameters governing the ILEC's use of administrative space when there is no longer any room for physical collocation. Each ILEC premises has its own, unique set of circumstances that will preclude specification of uniform standards for all situations. (Milner, Tr. 280.) Because each site is different, it is inevitable that even if the ILEC met the parameters in a particular case, ALECs would still dispute space availability, forcing a case-by-case assessment in any event. So little, if any, efficiencies will be gained in establishing generic parameters. (Ries DT at 14.)

Furthermore, all of the specific parameters recommended in this proceeding are unreasonable, unfair, and unprecedented. The ALECs generally recommend that only "essential personnel" -that is, those necessary for the operation of the particular central office—should remain at a site where there is otherwise no collocation space. (Levy DT at 16; Martinez DT at 15-16; Hunsucker DT at 18-19.) Such proposals deserve no serious consideration for a number of reasons.

First, as Mr. Martinez acknowledged, there is no FCC Rule or Order requiring an ILEC to move personnel to make room for collocation. (Martinez, Tr. 739.) In this situation, the ALEC would be expected to consider virtual collocation. Second, given the variety of collocation sites, there is no reasonable way to administer the guidelines the

ALECs recommend. For instance, in some cases, GTE's central office facilities are located in multistory office buildings that happen to also house several floors of employees supporting various aspects of GTE's operations. All of these personnel would be considered non-essential under the ALECs' definition; the ALECs would presumably be entitled to demand their removal if the Commission accepts their recommendations. (Ries RT at 14-15.) This kind of drastic outcome occasioned by a generic rule is plainly unreasonable. And given the extreme results the ALECs' proposal is likely to produce, challenges by the ILECs will be commonplace—once again, turning each case into a case-by-case evaluation in any event.

Third, under the ALECs' proposal, even though it is an ALEC request prompting a personnel move, the ILEC would often be saddled with the bulk of the expense for the move. The ALECs offer to pay only a pro rata share based on the amount of space they have requested. (Hunsucker, Tr. 585-86; Martinez, Tr. 739-40.) They will not pay for the entire move. The ILEC's burden under this approach would be substantial in cases where, for instance, it is infeasible to relocate only part of a work group, which ALECs admit is a possible scenario. (Hunsucker, Tr. 585; Martinez, Tr. 743.)

There has been no need shown for any generic guidelines on the ILECs' use of administrative space, let alone the kind of extreme measures the ALECs recommend. If disputes do arise in a particular case, they can be resolved under the Commission's existing procedures.

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

** ILECs must allow equipment that is necessary for interconnection or access to UNEs. **

The FCC's Rules "require incumbent LECs to permit collocation of all equipment that is necessary for interconnection or access to unbundled network elements, regardless of whether such equipment includes a switching functionality, provides enhanced services capabilities, or offers other functionalities." (Advanced Services Order at para. 28.) The ILECs are not required to permit ALECs to place equipment that is not necessary for either access to UNEs or for interconnection, such as equipment used exclusively for switching or enhanced services. (Advanced Services Order at para. 30; Ries DT at 14-15.)

The FCC has thus given this Commission sufficient direction to determine ILEC obligations in this area. It would not be possible or desirable to try to draw up an exhaustive list of particular pieces of equipment that could be collocated, and no party in this proceeding has even offered such a list. If there are disputes about interpretation of the FCC rule as applied to a particular piece of equipment, the Commission can address them on a case-by-case basis. (Ries DT at 15.)

Issue 13: If space is available, should the ILEC be required to provide price quotes to an ALEC prior to receiving a firm order for space in a central office (CO)?

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

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

** Under its tariff, GTE will provide a price quote within 15 days of receipt of the ALEC's collocation application. This quote provides all the information necessary for the ALEC to place a firm order. **

This issue reflects the ALECs' potential concerns about the ILEC providing, in a timely manner, collocation pricing information that is sufficiently detailed to place a firm order. GTE's believes its tariffed approach moots these concerns, which present themselves only in the context of ICB pricing.

Providing a price quote prior to a firm order by the ALEC is a standard part of GTE's collocation procedures. GTE will provide the price quote within 15 days of receiving the ALEC's complete and correct application. At this point, the ALEC will need no more detailed cost information, since the price quote will, in the vast majority of cases, be derived from the tariff, which is based on average costs. Once the ALEC receives the price quote, it has 90 days to place a firm order by paying 50% of the nonrecurring charges associated with the collocation. (Ries DT at 15-16.)

GTE does not believe any ALEC has taken issue with its 15-day timeframe for providing price (as well as space availability) information.

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

** The concept of ALEC participation in development of a price quote is not relevant when the price comes from a tariff, as is the case for GTE. **

Again, this issue assumes ICB pricing. GTE's price quotes will be based on a tariff, instead of developed on a case-by-case basis, so the issue of ALEC participation in the price quote should be moot. (Ries DT at 16.)

Issue 15: Should an ALEC be permitted to hire an ILEC-certified contractor to perform space preparation, racking and cabling, and power work?

** The ALEC can be permitted to hire an ILEC-certified contractor to perform work that affects only its own space. In order to safeguard network security and ensure proper coordination of all work activity, the ILEC must continue to perform work that affects common areas. **

ILECs, including GTE, will allow an ALEC to use an ILEC-certified contractor to perform work that affects only that ALEC's collocation space. But ILECs should not be compelled to permit ALECs to undertake work affecting more than just the individual collocator's space. (Milner, Tr. 357; Closz, Tr. 668.) This condition is not an attempt to

drive up the ALEC's costs or obstruct provisioning, as some ALECs suggest. Rather, it is a necessary part of GTE's responsibility to safeguard its network facilities and those of its collocators. (Ries RT at 11.) In some regions, GTE itself not contract out work on the power supply, because it is such a sensitive and critical component of the central office switch (Ries, Tr. 489-490). Mr. Hendrix also emphasized that power-related work carries with it the potential for network outages. (Hendrix, Tr. 38.)

The ALECs argue that using contractors certified by the ILEC should obviate the ILEC's concerns about work performed outside an individual collocator's space. This argument fails to consider the need for centralized coordination of all work in the central office. At any given time, there may be numerous, ongoing construction projects in an office. Some of these may be initiated by the ILEC, others will be related to ALEC collocations. As landlord of the site, it is the ILEC's duty to ensure that projects are undertaken in the appropriate sequence and completed without adverse effects on the ILEC or other occupants. If the ALEC, rather than the ILEC, hires and supervises work in common areas, the ILEC loses its ability to ensure the safe and smooth operation of the facility. Even if the ALEC uses the same contractor the ILEC might in a particular instance, the nature of the supervision will not be the same. The ALEC can be expected to focus on its own interests in completing the project quickly and cheaply, while the ILEC must consider the interests of everyone that may potentially be affected, including other collocators, the ILECs, and their respective end users. The ILEC is the only party that knows what change requests have already been filed, and thus the only one that can determine how to best accommodate all the tenant ALECs. (Hendrix, Tr. 91.) Furthermore, if something does go wrong with an ALEC-supervised project in a common

area, the ILEC-landlord may be placed in the position of being liable for events over which it had no control.

For all these reasons, allowing the ILEC to maintain control of and responsibility for contractors working in common areas will avoid scheduling conflicts, liability issues and will ultimately result in quicker and more efficient installations than if each AEC directed a contractor's work. (Ries DT at 16-17.) The collocation situation is no different from more traditional landlord-tenant situations. GTE's position, like BellSouth's, "is based on national property management industry-wide practices for building owners with multi-tenant occupancies." (Hendrix, Tr. 35.) While tenants may be allowed to work in their own spaces and on their specific systems, they are not permitted to do work on common areas or systems. (Hendrix, Tr. 35-36.)

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

** In cases where provisioning intervals must be extended, the ILEC and ALEC should be permitted to negotiate an extension without the need for a waiver filing. Where delay in delivery of the ALEC's equipment will cause virtual provisioning deadlines to slip, an automatic extension is warranted. **

Collocation provisioning intervals may need to be extended for a number of reasons, including, for example, the need for major power or HVAC upgrades, permitting delays, and changes to the ALEC's original application. GTE does not believe unilateral extensions are necessarily warranted in such cases, and generally agrees with the procedure initially contemplated by the Commission—that is, negotiation and, if that fails, a formal request for extension. (Ries, Tr. 463-64, DT at 10.)

One situation, however, where an automatic extension is warranted is the case of delays in delivery of equipment to be virtually collocated. GTE's standard practice is to

provide virtual collocation within 30 days of receipt of all the ALEC's equipment. This is somewhat different from the Commission's guideline, which requires completion within 60 days of a firm order. GTE's concern is that this guideline doesn't recognize that equipment ordering is totally out of the ILEC's control. If the ALEC doesn't order its equipment early enough in the process, there will be no way for the ILEC to meet a deadline keyed to receipt of the firm order. The better approach is to start the 60-day provisioning clock from the time the ALEC's equipment is received. Failing that, the next best solution is to permit automatic extensions for the time of the delivery delay. In GTE's experience, equipment delivery delays will prevent GTE from meeting this Commission's 60-day from firm order deadline in almost all cases. Given the frequency with which these delays occur, it would be more efficient to grant automatic extensions than expect the parties to engage in negotiations or seek waivers in every instance. (Ries DT at 10-11.)

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

** In GTE's case, these costs will be allocated on the basis of GTE's tariff. **

In GTE's case, the costs of security arrangements, site preparation, collocation space reports and other collocation-related items will be assessed to collocators through GTE's collocation tariff. Like any other tariff, the collocation tariff reflects average rates developed on a statewide basis. These rates are based on information about past collocation activity, with relevant costs over a period of time summed and then divided by a total number of collocators for that same period. The resulting rate is intended to apply to every collocation request, eliminating the need for an ICB process to specifically quantify the costs associated with any particular collocation. (Ries DT at 19.) GTE believes its

tariff complies with the FCC's cost allocation requirements, although GTE does not agree with those requirements and has appealed the FCC's collocation rules in federal court. (Ries DT at 17-18.)

In analyzing the cost allocation issue, it is appropriate to consider the related issue of cost recovery. As noted, a tariff, by its nature, is a set of averaged costs. The collocation rate under the tariff may not reflect the actual cost of a specific collocation in a particular central office. (Gillan, Tr. 1075.) With a collocation tariff, an ALEC foregoes the opportunity to pay a price based on the specific costs of providing service to it, in favor of increased cost certainty in terms of strategic planning and speedier collocation provisioning intervals. Because all of the ALECs in this proceeding favor a tariffed approach to collocation, they are apparently willing to make this trade-off. However, if a collocation tariff is to be workable, the ALECs must take service from the tariff on a routine basis—not just when the tariffed price would be lower than the ICB price.

Commissioner Deason's exchange with Mr. Gillan highlighted this potential problem. Commissioner Deason observed out that ALECs, especially large ALECs with lots of resources, could choose to negotiate in instances where the cost-based price would be lower, but take under the tariff when it would be higher. (Tr. 1082.) The outcome would be that the ILEC is denied cost recovery, which, as Commissioner Deason pointed out, is "a fundamental requirement." (Tr. 1084.)

Commissioner Deason thus suggested that it might be necessary to fashion a solution to avoid inadequate cost recovery. (Tr. 1084.) Mr. Gillan denied that such action would be necessary, because he had never seen the need for it in other states where collocation tariffs have been introduced. (Gillan, Tr. 1082-83, 1085.) However, as Mr.

Gillan testified, he is aware of only three such tariffs (aside from GTE's here) and they have been in effect for only a matter of months. (Gillan, Tr. 1097-98.) As such, the Commission can have no level of confidence that ALECs will not attempt to game the system in the manner Commissioner Deason suggested. If this does become a problem, it may be necessary for GTE to seek Commission intervention for the tariffed approach to remain viable from a cost recovery perspective.

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

** It is GTE's practice to advise an ALEC as to available space if there is not enough space to satisfy its collocation request. As such, GTE would not oppose such a notification requirement. **

If there is insufficient space to satisfy a particular ALEC's collocation request, GTE will today tell the ALEC how much space is, in fact, available. Thus, GTE is indifferent to implementation of a requirement consistent with its existing practice. (Ries DT at 19.)

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

** If modifications create new collocation space in a formerly exempted office, GTE will post the change in exernpt status on its website within 10 days of the status change. This is the fairest and easiest way to notify all potentially interested parties; GTE does not believe any more extensive requirement is justified. **

If GTE makes modifications that create space in a central office that formerly was exempt from collocation obligations, it will post a notification on its website within 10 business days of the status change. This is the fairest and most efficient approach to advise all potentially interested parties of the changes in an office. (Ries DT at 19-20.) GTE does not believe any more extensive requirements in this regard are appropriate or necessary. In particular, the Commission should reject ALEC suggestions that the ILEC

should publish future plans and estimated completion dates for projects that will create space in a particular office. Such periodic notices would impose new administrative burdens on the ILEC and would, in any event, have little value for the ALEC's planing process. Plans for space-creating projects and construction often undergo major revisions due to funding constraints, re-evaluation of technical alternatives, and like. Thus, ALECs could not rely with any certainty on such plans and the ILEC could not be held to them. (Ries RT at 13.)

Moreover, if an ILEC drops or alters a modification plan, thus eliminating or reducing space that could have been used for collocation, ALECs will inevitably raise questions about the changes and perhaps complain to the Commission. In this way, they will likely try to involve themselves and the Commission in the ILEC's planning process. Any early notification requirement will likely be used to try to create substantive obligations the ILEC does not have today and that are unjustified.

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

** The FCC requires ILECs to take collocator demand into account when renovating or constructing facilities. GTE should be permitted to retain its current process, which considers past collocation requests and other information about potential demand. In no event should ILECs have to construct space on the basis of just ALEC collocation forecasts. **

In its First Report and Order implementing the Act, the FCC concluded that ILECs "should be required to take collocator demand into account when renovating existing facilities and constructing or leasing new facilities, just as they consider demand for other services when undertaking such projects." (Ries DT at 20, *citing* the FCC's First Report & Order in *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, at para. 585.) The FCC did not establish any particular forecasting

procedures. Indeed, any attempt to rigidly define such procedures would be infeasible.

Some parties suggest, for example, that the ILECs should use ALEC collocation forecasts as a basis for determining the size of central office expansions. (Hunsucker DT at 29-30; Levy DT at 22, Tr. 936.) GTE believes it is appropriate to consider ALEC collocation forecasts as one factor in GTE's space planning process. But it would strongly oppose any requirement that the ILECs expand or add space in reliance solely or primarily upon ALEC forecasts.

ALECs generally have no financial commitment to long-term collocation forecasts and there is no way of verifying their validity. ALECs have nothing to lose and everything to gain by submitting overblown space forecasts. Indeed, it is to their advantage to overestimate their space needs, either as a way to drive up the ILECs' costs or to try to assure that there will be plenty of space in the event they do need it. In addition, it is inevitable that some ALECs' business plans will change and that some will not be as successful as they anticipated. In each case, the ILEC will be left with unused space and stranded investment. (Ries RT at 16-17.)

Relying too heavily on ALEC forecasts could, conversely, result in the ILEC underestimating collocation demand. In GTE's experience, ALECs are reluctant to share collocation forecasts for particular sites because they regard such information as competitively sensitive. In addition, as even Mr. Levy acknowledges, it would be impossible to gather comprehensive information about all potential collocators when some may not have expressed interest in collocation in a particular office. (Levy DT at 23.)

Expanding central offices is an expensive and time-consuming process requiring substantial lead-time. In light of the above-discussed factors, it would be unreasonable

and unfair for the Commission to require the ILEC to undertake construction projects on the basis of ALEC collocation forecasts. Indeed, requiring the ILECs to rely too much on any one factor in estimating space demand will likely undermine the ultimate objective of closely matching expansions to demand.

Just as the Commission should not require any inflexible forecasting process to drive construction requirements, it should not compel the ILECs to undertake activity that is not linked to any demand assessment. Intermedia proposes, for example, that ILECs should always have available in all offices at all times space for two collocators. (Jackson, Tr. 11-54-56.) This wholly arbitrary recommendation would ignore any consideration of which offices might be the most and least popular collocation sites. If no one uses the space, as is likely in some cases, the ILEC would have to pay for it. (Jackson, Tr. 1155-56.) Intermedia does not believe it "should be required to expend scarce resources on anticipated requirements that could change." (Staff Ex. 4, at 4.) There is no reason the ILECs should be expected to do such a thing, either.

The Commission should likewise reject Mr. Gillan's suggestion that ILECs be required to prepare collocation space before there are any requests for it. (Gillan, Tr. 1055.) Even if forecasted demand for the space closely aligns with the number of actual collocators, the ILEC has no way of knowing, outside of a specific request, what a collocation will involve in terms of power, HVAC, heat generated, and other variables. (*See, e.g.*, Mills, Tr. 1218.) If the prepared space does not meet the ALEC's requirements, the ILEC will have to do it over again. Aside from raising the ILEC's costs, this result is not necessarily consistent with the ALEC's own interest in obtaining the space as quickly as possible.

In short, GTE should be permitted to retain its existing, flexible forecasting process, which factors in all relevant, available market and historical information. (Ries RT at 16.) In no event should it need to arbitrarily build space or prepare space before a specific request is submitted.

Issue 21: Applying the FCC's "first-come, first-served" rule, if space becomes available in a central office because a waiver is denied or a modification is made, who should be given priority?

** Under the first-come, first-served rule, new space should be made available to ALECs in the order in which they submit a firm order for the space **

When collocation space becomes available in a central office, either because a waiver is denied or the ILEC makes a modification, that space should be allocated to carriers in the order in which they commit to the space by placing a firm order for it. In terms of GTE's practices, this means that the carrier would submit 50% of the NRCs associated with the request. Requiring an ALEC to make a meaningful financial commitment to the space helps to ensure that the party with the most acute and immediate needs will get the space.

Allocation of space based on firm order date would be acceptable to at least MCI. (Martinez, Tr. 741-42.) Other ALECs have proposed various variations of a waiting list as a means of administering the first-come, first-served rule. (Williams DT at 17; Levy DT at 22; Hunsucker DT at 30-35; Nilson DT at 21-22; Strow DT at 11-12.) They would have the ILEC notify all entities that were previously denied space in a central office in the order of their application date. While this may appear to be the fairest approach in concept, in GTE's experience, it is not likely to be very effective or beneficial to the ALEC in practice. An office that is exempted from collocation will probably remain so for a prolonged period, perhaps two or three years—until, for example, a building addition is made. (Ries, Tr.

467.) By that time, the ALECs which are at the top of the list will likely taken alternative approaches to market entry. The time spent in contacting each ALEC and obtaining their responses would potentially delay use of the space by an ALEC that stands ready to immediately place a firm order and enter the market. (Ries RT at 11-12, Tr. 467-68.)

A waiting list process would also encourage ALECs to seek space in offices where they have no foreseeable interest, just to be placed on the list in case space becomes available in the future. An ALEC has nothing to lose in doing so. If it gets space under this process, but doesn't really have in interest in collocating in the office, the ALEC might sublease the space. This probably isn't the kind of incentive this Commission wants to create. (Ries RT at 12.)

Likewise, the Commission should not create incentives for ALECs to challenge every ILEC request for exemption, regardless of the merits of such a challenge. Under AT&T's proposal, for instance, an ALEC would retain its place on the waiting list only by undertaking such a challenge. (Mills, Tr. 1216-17.)

GTE's real-world experience proves the need for a financial commitment on the ALEC's part if space is to be fairly and efficiently allocated. When GTE began to offer physical collocation, the customer was establish to establish priority by submitting an application with a nominal engineering fee. GTE would then designate floor space for that applicant. On more than one occasion, companies were slow to pursue the collocation process. Meanwhile, GTE had to turn away subsequent, but more serious, applicants for the same space. This undesirable outcome, from the perspective of both GTE and other market entrants, helped prompt GTE to adopt its current policy requiring 50% of the NRCs. (Ries, Tr. 500-501)

Respectfully submitted on February 14, 2000.

By: Kimberly Caswell/dm

Kimberly Caswell
Post Office Box 110, FLTC0007
Tampa, Florida 33601
Telephone: 813-483-2617

Attorney for GTE Florida Incorporated

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of GTE Florida Incorporated's Posthearing Statement in Docket Nos. 981834-TP and 990321-TP was sent via U.S. mail on February 14, 2000 to the parties on the attached list.

Kimberly Caswell/dm

Kimberly Caswell

Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Nancy Sims
BellSouth Telecomm. Inc.
150 S. Monroe Street, Suite 400
Tallahassee, FL 32301-1556

James Falvey
e.spire Communications
133 National Business Parkway
Suite 200
Annapolis Junction, MD 20701

Richard D. Melson
Gabriel E. Nieto
Hopping Law Firm
123 S. Calhoun Street
Tallahassee, FL 32314

Jeremy Marcus
Kristin Smith
Blumenfeld & Cohen
1625 Massachusetts Avenue, NW
Suite 300
Washington, DC 20036

Accelerated Connections Inc.
7337 South Revere Parkway
Englewood, CO 80112

Peter M. Dunbar
Barbara Auger
Pennington Law Firm
215 S. Monroe St., 2nd Floor
Tallahassee, FL 32301

Time Warner AxS of Florida
2301 Lucien Way, Suite 300
Maitland, FL 32751

Rhonda P. Merritt
AT&T Communications
101 N. Monroe Street
Suite 700
Tallahassee, FL 32301

Kenneth Hoffman
Rutledge Law Firm
215 S. Monroe St., Suite 420
Tallahassee, FL 32302

Andrew Isar
Telecomm. Resellers Assn.
4312 92nd Avenue, N.W.
Gig Harbor, WA 98335

C. Pellegrini/Patrick Wiggins
Wiggins Law Firm
2145 Delta Blvd., Suite 200
Tallahassee, FL 32303

Terry Monroe
CompTel
1900 M Street N.W.
Suite 800
Washington, DC 20036

Michael A. Gross
Fla. Cable Telecomm. Assn.
310 N. Monroe Street
Tallahassee, FL 32301

Vicki Kaufman/Joe McGlothlin
McWhirter Law Firm
117 S. Gadsden Street
Tallahassee, FL 32301

Angela Green
Fla. Public Telecomm. Assn.
125 S. Gadsden Street
Suite 200
Tallahassee, FL 32301

Scott Sapperstein
Intermedia Comm. Inc.
3625 Queen Palm Drive
Tampa, FL 33619-1309

Floyd Self/Norman Horton
Messer Law Firm
215 S. Monroe St., Suite 701
Tallahassee, FL 32302

Marilyn H. Ash
MGC Communications Inc.
3301 North Buffalo Drive
Las Vegas, NV 89129

Donna McNulty
MCI WorldCom
325 John Knox Road, Suite 105
Tallahassee, FL 32303

- Mark E. Buechele
Supra Telecommunications
2620 SW 27th Avenue
Miami, FL 33133

Laura L. Gallagher
101 E. College Avenue
Suite 302
Tallahassee, FL 32301

James P. Campbell
MediaOne
101 E. College Avenue
Suite 302
Tallahassee, FL 32301

Charles J. Beck
Deputy Public Counsel
Office of Public Counsel
111 W. Madison Street, Room 812
Tallahassee, FL 32399-1400

Christopher Goodpastor
Covad Communications Co.
9600 Great Hills Trail
Suite 150 W
Austin, TX 78759

S. Masterson/C. Rehwinkel
Sprint-Florida Incorporated
1313 Blairstone Road
MC FLTLHO0107
Tallahassee, FL 32301

Bettye Willis
ALLTEL Communications
Services Inc.
One Allied Drive
Little Rock, AR 72203

J. Jeffry Wahlen
Ausley & McMullen
227 S. Calhoun Street
Tallahassee, FL 32302

Michael P. Goggin
BellSouth Telecomm. Inc.
150 West Flagler Street
Suite 1910
Miami, FL 33130

E. Earl Edenfield Jr.
BellSouth Telecomm. Inc.
675 W. Peachtree Street
Suite 4300
Atlanta, GA 30375

Anita L. Fourcard
Lockheed Martin IMS
Comm. Industry Services
1200 K Street, N.W.
Washington, DC 20005