



Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

DATE: AUGUST 17, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMPETITIVE SERVICES (FULWOOD) *FRB*
DIVISION OF LEGAL SERVICES (BANKS) *BR*

RE: DOCKET NO. 000779-TL - REQUEST FOR TEMPORARY WAIVER OF PHYSICAL COLLOCATION REQUIREMENTS IN THE PERDIDO BAY CENTRAL OFFICE BY BELLSOUTH TELECOMMUNICATIONS, INC.

AGENDA: 08/29/00 - REGULAR AGENDA - FINAL AGENCY ACTION-INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\000779.RCM

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CASE BACKGROUND

On September 7, 1999, the Commission issued Proposed Agency Action (PAA) Order No. PSC-99-1744-PAA-TP, which established procedures by which incumbent local exchange companies (LECs) would process alternative local exchange companies' (ALECs) requests for collocation and also established procedures for demonstrating space depletion for physical collocation in LEC central offices. On September 28, 1999, BellSouth Telecommunications, Inc. (BellSouth) filed a Protest/Request for Clarification of Proposed Agency Action. That same day, Rhythms Links, Inc. (Rhythms) filed a Motion to Conform Order to Commission Decision or, in the Alternative, Petition on Proposed Agency Action. Because motions for clarification/conformity are not contemplated by the PAA process, the motions were treated as protests to the PAA Order. On December 7, 1999, the Commission issued Order No. PSC-99-2393-FOF-TP, the Final Order Approving Stipulated Modifications to Collocation Guidelines, Amendatory Order, and Consummating Order. These Orders established the procedures by which a LEC could

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request a waiver of the physical collocation requirements from this Commission. In establishing these procedures, the Commission set forth its belief that the handling of collocation waiver requests would be expedited, and the number and scope of collocation disputes might be limited because the Commission's expectations would be defined.

Pursuant to Order Nos. PSC-99-1744-PAA-TP and PSC-99-2393-FOF-TP, BellSouth filed a Notice of Intent to Request Temporary Waiver of Physical Collocation Requirements in the Perdido Bay Central Office on June 27, 2000. On July 10, 2000, BellSouth and Commission staff conducted a tour of this central office.

BellSouth filed its Petition for Temporary Waiver of Physical Collocation Requirements in the Perdido Bay Central Office on July 18, 2000. In accordance with the above-mentioned Orders, BellSouth timely filed their Post-Tour Report for this central office on July 26, 2000.

DISCUSSION OF ISSUES

ISSUE 1: Should BellSouth's Request for Temporary Waiver of Physical Collocation Requirements in the Perdido Bay central office be granted?

RECOMMENDATION: Yes, BellSouth's Request for Temporary Waiver of Physical Collocation Requirements in the Perdido Bay central office should be granted until December 31, 2002, or until construction of the building addition is completed, whichever is earlier. **(FULWOOD)**

STAFF ANALYSIS:

The issue before the Commission is to determine whether BellSouth should be granted a Temporary Waiver of the Physical Collocation Requirements for the Perdido Bay central office. The Commission established procedures for handling physical collocation waiver requests in Order Nos. PSC-99-1744-PAA-TP and PSC-99-2393-FOF-TP.

BellSouth states in its Notice of Intent that it is currently unable to provide the requested amount of collocation space in the Perdido Bay central office due to lack of space. BellSouth asserts

in its petition that the space limitations it faces are the result of the space used for existing BellSouth equipment, and the planned installation of additional equipment essential to provide effective service to BellSouth customers. Also, BellSouth contends that it expects to complete a building addition to this central office at the end of the fourth quarter of 2002.

BellSouth states that the Perdido Bay central office building houses switches providing local dial tone. There is also circuit equipment located in this central office which consists of fiber optic terminals, digital cross-connect systems, multiplexers, digital channel banks, subscriber carrier terminals, and digital cross-connect panels. This central office also provides connectivity to other central offices and local customers. The above mentioned equipment is powered by rectifiers and battery strings.

BellSouth asserts that the area served by the Perdido Bay central office is growing rapidly and, thus, the facility is under enormous space constraints. To meet the demand of the expanding customer base, BellSouth currently has on order from the manufacturer additional Toll/Circuit and Switching equipment.

In its Petition for Temporary Waiver, BellSouth states that it used the following procedure to identify space currently available for physical collocation in the Perdido Bay central office:

1. BellSouth determined the total square footage within the facility;
2. BellSouth determined the unavailable space (i.e., restrooms, hallways, stairs, etc.);
3. BellSouth determined assigned space currently occupied by the BellSouth switch, transmission, power and other equipment, as well as necessary administrative space;
4. BellSouth determined the space reserved for future defined uses necessary to adequately serve BellSouth customers, including consideration given to BellSouth's future switch growth plans;
5. BellSouth identified any unusable space (such as basements subject to flooding); and

6. BellSouth determined available collocation space by subtracting Items 2-5 from item 1.

The Telecommunications Act of 1996 (Act) places certain obligations on LECs. One such obligation is collocation. The Act reads:

COLLOCATION.-The duty to provide, on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, for physical collocation of equipment necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier, except that the carrier may provide for virtual collocation if the local exchange carrier demonstrates to the State commission that physical collocation is not practical for technical reasons or because of space limitations. (47 U.S.C. 251(c)(6))

Thus, the Act clearly acknowledges that state commissions will make the determination of whether there is sufficient space in a LEC's central office for physical collocation. BellSouth alleges in its petition that it lacks sufficient space in its Perdido Bay central office to provide physical collocation.

In establishing procedures for handling a LEC's request for waiver of the physical collocation requirements for its central offices, the Commission indicated its belief that by establishing these procedures, "the handling of collocation waiver requests will be expedited and the number and/or scope of collocation disputes may be limited because we have clearly defined our expectations." (Order No. PSC-99-1744-PAA-TP, p. 15) These procedures clearly outline the LEC, ALEC, and Commission responsibilities in processing waiver requests. In brief, these Orders require that once an ALEC files a completed application for physical collocation with a LEC, and the LEC does not believe that space is available in that particular central office for physical collocation, the LEC must file, within fifteen days of the application, a Notice of Intent to Request a Waiver of the Physical Collocation Requirements with this Commission. The LEC will file its actual Petition for Waiver of the Physical Collocation Requirements for this central office within twenty days of filing its Notice of Intent. Further, the LEC, ALEC(s) denied space, and the Commission staff will conduct a tour of the central office within ten days of the Notice of Intent. While the LEC must allow both the ALEC(s) denied space and the Commission staff to tour the premises, the ALEC(s) do so at

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their option. Twenty days after the central office tour the LEC must file a post-tour report containing certain specific information and other information that it believes to be relevant. The ALEC(s) may also file a post-tour report outlining their findings within twenty days of the tour. Commission staff will then use this information to evaluate whether the LEC's Petition for Waiver should be granted.

POST-TOUR REPORT

Staff will summarize the relevant information contained in BellSouth's post-tour report of the Perdido Bay central office. Staff notes that the one ALEC, LEC Unwired, LLC., that was denied partial space in this central office, did not attend the tour or file a post-tour report.

BellSouth states that the Perdido Bay central office contains 3,752 gross square feet. There are 2776 square feet occupied by BellSouth's equipment. There are 531 square feet of administrative space. BellSouth considers administrative space as any space not directly supporting the installation and repair of both telephone equipment and customer service. BellSouth also reports that there are 306 square feet of unavailable space in this central office. Unavailable space is defined as space assigned to building functions as required by code or national design standards. This type of space typically contains restrooms, air handling and chiller rooms, mechanical equipment such as pumps, controls, compressors, house service panel/electrical system distribution panels, stairs, elevator shafts, equipment rooms and exits.

BellSouth further states that there is currently no square footage assigned to physical collocators in this office, and that there is no virtual collocator assigned space.

BellSouth also reports that it has 139 square feet reserved for its own future use. There are 21 square feet reserved for the growth of its switching equipment, 49 square feet reserved for the growth of its toll equipment, and 69 square feet reserved for the growth of its power supply. Staff notes that the FCC does allow a LEC to reserve space for its own future use:

Incumbent LECs are allowed to retain a limited amount of floor space for its own future uses. Allowing competitive entrants to claim space that incumbent LECs had specifically planned to use could prevent incumbent LECs from serving their customers effectively.

Incumbent LECs may not, however, reserve space for future use on terms more favorable than those that apply to other telecommunications carriers seeking to hold collocation space for their own future use. (FCC 96-325, ¶604)

In regards to its policy of reserving space, BellSouth states:

Generally, reserved space is held for the various space usages described in step C with forecasted needs for the next 2-year shipping interval. There is one exception. There are several types and families of equipment requiring fixed layouts. That is, this equipment cannot be split up into several different locations in the central office without degrading service or capping the size or customer service levels for that type of equipment. (Post-Tour Report, pp.1-2)

Concerning BellSouth's policy for reserving space, staff notes that the Commission previously ruled:

Upon consideration, we find that an 18-month reservation period is appropriate for reserving space. This 18-month reservation period shall apply to all providers alike, ILECs and ALECs. (Order No. PSC-00-0941-FOF-TP, p.56)

At a glance, it appears that BellSouth is not in compliance with the Commission's order. However, staff notes that BellSouth's "Specific Building Analysis" section of the Post-Tour Report indicates an eighteen (18) month space reservation interval. BellSouth states that "[B]ellSouth submittals include a drawing indicating internal rearrangements of interior walls necessary to make our space last 18 months or year end 2001." (Post-Tour Report, p.11) Therefore, staff believes that BellSouth is in compliance with the Commission's space reservation policy.

BellSouth states that a building addition is planned for the Perdido Bay central office. BellSouth's estimated completion date for this addition is the end of the fourth quarter 2002. Further, BellSouth notes that the central office is located in a wetland area; therefore, the amount of additional space construction will be contingent upon the environmental relief granted. The additional square feet to the central office will serve switch,

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circuit and collocation requirements. BellSouth states that once this addition is complete, there will be sufficient space to provide requesting ALECs collocation in this office. (Notice, p.1) Staff notes that when planning additions or renovations to central offices, LECs are obligated by the FCC to consider requests for collocation. See 47 CFR §51.323(f)(3). It appears to staff that BellSouth is complying with this FCC Rule.

Based on the information provided, staff believes that BellSouth's Petition for Temporary Waiver of the Physical Collocation Requirements in the Perdido Bay Central Office is reasonable, and the Commission should grant BellSouth a temporary waiver of the physical collocation requirements for this central office.

BellSouth is reserving 139 square feet for its own future use. Staff acknowledges that according to the FCC Rules, a LEC may reserve space for its own future use. Staff believes that this is important as a LEC such as BellSouth does have Carrier of Last Resort responsibilities. Further, staff believes that the 139 square feet that BellSouth is reserving for its switch, toll, and power equipment growth is reasonable.

Staff also notes that during the tour of the Perdido Bay central office, staff did not observe any space that appeared to be wasted or inefficiently used. BellSouth's plans included removal/relocation of interior walls, the maintenance center, the bathroom, and storage areas to meet their own forecasted growth.

Finally, staff again notes that BellSouth is planning an addition to the Perdido Bay central office that is scheduled for completion at the end of the fourth quarter 2002. Upon completion of this building addition, there will be additional space available for physical collocation by ALECs. However, the central office is located in a wetland area; therefore, staff agrees with BellSouth that the amount of additional space and the time frame for construction will be contingent upon the environmental relief granted.

Conclusion

Staff recommends that the Commission grant BellSouth a Temporary Waiver of Physical Collocation Requirements in the Perdido Bay central office until December 31, 2002, or until construction of the building addition is completed, whichever is earlier.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed. **(BANKS)**

STAFF ANALYSIS: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed.